

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
LIMITED AUDIT REVIEW REPORT FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2023
(ORIGINALLY ISSUED IN TURKISH)**

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

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

		Reviewed Current Period 30 June 2023	Audited Prior Period 31 December 2022
ASSETS	Notes		
Current Assets		29,099,280	25,174,269
Cash and Cash Equivalents	4	8,758,014	9,254,834
Financial Investments	5	3,957	210,497
Trade Receivables			
- Trade Receivables from Related Parties	7,21	5,246,057	4,100,552
- Trade Receivables from Third Parties	7	4,646,703	3,287,788
Other Receivables			
- Other Receivables from Related Parties	8,21	1,830,568	1,194,805
- Other Receivables from Third Parties	8	296,346	362,795
Derivative Instruments	9	245,534	745,842
Inventories	10	6,555,159	4,996,350
Prepaid Expenses			
- Prepaid Expenses to Third Parties		715,243	423,058
Current Income Tax Assets	19	152,114	13,507
Other Current Assets		649,585	584,241
Non-Current Assets		15,826,788	12,684,522
Financial Investments	5	3,700,845	2,687,204
Property, Plant and Equipment	11	7,446,514	6,817,011
Intangible Assets			
- Goodwill	12	1,637,099	1,122,211
- Other Intangible Assets	13	1,243,170	895,475
Prepaid Expenses		121,005	128,632
Deferred Tax Asset	19	1,678,155	1,033,989
TOTAL ASSETS		44,926,068	37,858,791

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

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

		Reviewed Current Period 30 June 2023	Audited Prior Period 31 December 2022
	Notes		
LIABILITIES			
Current Liabilities		11,932,732	16,887,346
Short-Term Financial Liabilities	6	1,598,560	925,081
Short-Term Portion of Long-Term Financial Liabilities	6	3,690,594	10,476,406
Trade Payables			
- Trade Payables to Related Parties	7,21	1,142,045	1,079,457
- Trade Payables to Third Parties	7	3,285,702	3,081,810
Employee Benefit Related Liabilities		226,615	132,371
Other Payables			
- Other Payables to Third Parties	8	4,849	3,025
Derivative Instruments	9	-	22,724
Deferred Income		67,724	82,260
Current Income Tax Liabilities	19	505,411	261,953
Short-Term Provisions			
- Short-Term Provisions for Employee Benefits		282,168	259,014
- Other Short-Term Provisions		875,982	351,169
Other Current Liabilities		253,082	212,076
Non-Current Liabilities		24,354,012	13,288,953
Long-Term Financial Liabilities	6	23,317,042	12,349,131
Long-Term Provisions			
- Long Term Provisions for Employee Benefits		956,486	763,769
Deferred Tax Liability	19	80,484	176,053
SHAREHOLDERS' EQUITY		8,639,324	7,682,492
Equity Attributable to Equity Holders' of the Parent		5,908,268	5,685,906
Share Capital		342,000	342,000
Share Capital Adjustment Differences		108,056	108,056
Effect of Business Combinations Under Common Control		(4,196,733)	(4,196,733)
Accumulated Other Comprehensive Income or Expenses			
Not to be Reclassified to Profit or Loss			
- Actuarial Losses		(401,239)	(261,647)
- Increases on Revaluation of Plant, Property and Equipment		3,085,949	3,085,949
- Earnings from Investments in Equity Financial Instruments		2,971,444	2,020,802
Accumulated Other Comprehensive Income or Expenses to be			
Reclassified to Profit or Loss			
- Foreign Currency Translation Differences		1,549,157	832,293
- Cash Flow Hedging (Losses)/Gains		(478,355)	30,446
Restricted Reserves Appropriated from Profit		157,537	157,537
Retained Earnings		3,567,203	3,920,304
Net (Loss) for the Period		(796,751)	(353,101)
Non-Controlling Interests		2,731,056	1,996,586
TOTAL LIABILITIES AND EQUITY		44,926,068	37,858,791

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2023 AND 2022

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

		Reviewed Current Period 1 January- 30 June 2023	Not Reviewed Current Period 1 April- 30 June 2023	Reviewed Prior Period 1 January- 30 June 2022	Not Reviewed Prior Period 1 April- 30 June 2022
	Notes				
Revenue	15	19,623,610	9,511,854	11,877,060	5,991,042
Cost of Sales (-)	15	(13,155,681)	(6,514,881)	(8,330,260)	(4,293,332)
GROSS PROFIT		6,467,929	2,996,973	3,546,800	1,697,710
General Administrative Expenses (-)	16	(458,952)	(247,964)	(278,375)	(145,579)
Marketing Expenses (-)	16	(1,898,444)	(906,496)	(1,021,269)	(484,019)
Research and Development Expenses (-)	16	(79,152)	(39,268)	(29,714)	(17,230)
Other Operating Income		1,323,094	1,094,885	680,062	257,552
Other Operating Expenses (-)		(278,996)	(71,401)	(277,791)	(23,315)
OPERATING PROFIT		5,075,479	2,826,729	2,619,713	1,285,119
Income from Investment Activities		3,689,930	3,165,844	2,387,324	1,304,375
Expenses from Investment Activities (-)		(175,706)	(140,029)	(1,498,442)	(758,821)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		8,589,703	5,852,544	3,508,595	1,830,673
Financial Income	17	146,428	17,357	6,556	(21,663)
Financial Expenses (-)	18	(9,144,939)	(7,679,675)	(4,438,036)	(2,412,951)
(LOSS)/PROFIT BEFORE TAX		(408,808)	(1,809,774)	(922,885)	(603,941)
Tax Income		171,449	418,972	37,194	49,306
Current Tax Expense (-)	19	(526,870)	(243,223)	(364,274)	(173,977)
Deferred Tax Income	19	698,319	662,195	401,468	223,283
NET (LOSS)/PROFIT FOR THE PERIOD		(237,359)	(1,390,802)	(885,691)	(554,635)
Distribution of the (Loss)/Profit for the Period					
Non-Controlling Interest		559,392	301,596	233,649	94,000
Equity Holders of the Parent		(796,751)	(1,692,398)	(1,119,340)	(648,635)
Earnings/(Losses) Per Share	20	(2.33)	(4.95)	(3.27)	(1.90)

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD ENDED 30 JUNE 2023 AND 2022

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

	Reviewed Current Period 1 January- 30 June 2023	Not Reviewed Current Period 1 April- 30 June 2023	Reviewed Prior Period 1 January- 30 June 2022	Not Reviewed Prior Period 1 April- 30 June 2022
(LOSS) FOR THE PERIOD	(237,359)	(1,390,802)	(885,691)	(554,635)
OTHER COMPREHENSIVE INCOME				
Not to be Reclassified To Profit or Loss	803,490	869,630	474,352	478,803
(Losses) on Remeasurement of Defined Benefit Plans	(186,975)	(42,304)	(5,121)	443
Earnings from Investments in Equity Financial Instruments	1,008,985	958,631	469,590	469,590
Taxes on Other Comprehensive Income that will not be Reclassified to Profit or Loss				
Losses on Remeasurement of Defined Benefit Plans, Tax Effect	37,395	8,461	1,025	(88)
Earnings from Investments in Equity Financial Instruments, Tax Effect	(55,915)	(55,158)	8,858	8,858
Items to be Reclassified to Profit or Loss	590,512	637,865	330,544	214,131
Foreign Currency Translation Differences	1,099,313	1,123,701	314,176	229,075
(Losses) on Cash Flow Hedges	(636,001)	(607,295)	20,460	(18,680)
Taxes on Other Comprehensive Income that will be Reclassified to Profit or Loss				
Cash Flow Hedges, Tax Effect	127,200	121,459	(4,092)	3,736
OTHER COMPREHENSIVE INCOME	1,394,002	1,507,495	804,896	692,934
TOTAL COMPREHENSIVE INCOME	1,156,643	116,693	(80,795)	138,299
Distribution of Total Comprehensive Income				
Non-Controlling Interests	934,281	720,269	389,046	209,588
Equity Holders of the Parent	222,362	(603,576)	(469,841)	(71,289)

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD ENDED 30 JUNE 2023 AND 2022

(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	Foreign Currency Translation Adjustments	Cash Flow Hedge (Loss)/ Gain	Revaluation of Plant, Property 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	Prior Periods' Profit	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interest	Total
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	-	-	-	158,536	16,368	-	(3,853)	478,448	-	(1,119,340)	-	(469,841)	389,046	(80,795)
As of 30 June 2022	342,000	108,056	(4,196,733)	766,418	16,908	815,379	(48,332)	1,754,676	157,537	(1,119,340)	3,920,304	2,516,873	1,716,234	4,233,107
As of 1 January 2023	342,000	108,056	(4,196,733)	832,293	30,446	3,085,949	(261,647)	2,020,802	157,537	(353,101)	3,920,304	5,685,906	1,996,586	7,682,492
Transfers	-	-	-	-	-	-	-	-	-	353,101	(353,101)	-	-	-
Total Comprehensive Income	-	-	-	716,864	(508,801)	-	(139,592)	950,642	-	(796,751)	-	222,362	934,281	1,156,643
Dividend Paid (*)	-	-	-	-	-	-	-	-	-	-	-	-	(199,811)	(199,811)
As of 30 June 2023	342,000	108,056	(4,196,733)	1,549,157	(478,355)	3,085,949	(401,239)	2,971,444	157,537	(796,751)	3,567,203	5,908,268	2,731,056	8,639,324

(*) Food Manufacturers Company, one of the subsidiaries of the Group, paid a dividend of TL 444,024 thousand on 19 April 2023, with the Board of Directors' Decision. TL 199,811 thousand of the related amount has been accounted for under non-controlling interests.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2023 AND 2022

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

		Reviewed Current Period 1 January-30 June 2023	Reviewed Prior Period 1 January-30 June 2022
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		(237,359)	(885,691)
Adjustments to Reconcile Net Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of tangible assets	11	223,576	159,031
Amortization expenses of intangible assets	13	3,127	2,523
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	7	460	670
Financial investment value decrease/(increase)		(913)	1,470,038
Impairment loss of inventories	10	11,530	6,930
Adjustments Related to Provisions			
Adjustments Related to Provisions (Reversals) for			
Employee Benefits			
Provision for employment termination benefits		105,497	109,233
Unused vacation accrual		59,751	31,999
Performance premium accrual		149,628	37,550
Adjustments Related to Provisions (Reversal) for			
Lawsuits and/or Penalties		127	(394)
Adjustments Related to Other Provisions (Reversal)			
Other provisions (net)		524,686	208,691
Adjustments Related to Interest (Income) and Expenses			
Interest income		(413,199)	(165,105)
Interest expenses	18	1,282,445	921,427
Adjustments Related to Tax (Income)/Expenses	19	(171,449)	(37,194)
Adjustments Related to Losses (Gains) on Disposals of			
Non-Current Assets			
Adjustments related to losses/(gains) arising from sale of			
property, plant and equipment		(1,144)	(5,645)
Adjustments Related to Other Items That Cause Cash			
Flows Arising from Investment or Financing Activities			
Financial liabilities exchange rate change (net)		7,620,725	3,478,599
Change in foreign currency from investing activities (net)		(3,089,682)	(2,182,698)
Commission expenses and financial income (net)		95,341	31,223
Derivative instruments transaction income (net)		-	230
Other Adjustments to Reconcile Profit/(Loss)			
Rent income		(9,286)	(5,472)
Net cash before changes in assets and liabilities		6,153,861	3,175,945

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 203 AND 2022

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

	Notes	Reviewed Current Period 1 January-30 June 2023	Reviewed Prior Period 1 January-30 June 2022
Changes in Working Capital			
(Increase) in trade receivables		(881,380)	(664,519)
(Increase) in receivables from related parties		(1,145,505)	(269,263)
(Increase) in inventories		(1,210,515)	(990,301)
(Increase) in other receivables and other assets		(238,114)	(856,494)
(Decrease)/increase in trade payables		(255,574)	382,138
Increase in payables to related parties		62,588	440,665
(Decrease) in other payables and liabilities		(14,019)	(59,022)
Cash generated from activities		2,471,342	1,159,149
Employment termination benefit paid		(176,720)	(29,489)
Unused vacation paid		(45,135)	(14,955)
Performance premium paid		(180,191)	(63,713)
Taxes Paid		(422,020)	(311,641)
Cash generated from operating activities		1,647,276	739,351
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from sales of property, plant and equipment and intangible assets		22,400	13,713
Cash outflows from purchase of property, plant and equipment		(325,922)	(193,304)
Cash outflows from purchase of intangible assets	13	(2,426)	(585)
Changes in non-trade receivables from related parties		(635,763)	(369,455)
Interest received		413,199	165,105
Other cash advances given and payables		7,627	(9,196)
Cash inflows/(outflows) from the purchase of shares or debt instruments of other businesses or funds		207,843	(18,637)
Cash generated from leases		9,286	5,472
Net cash (used in)/generated from investing activities		(303,756)	(406,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		93,946	1,639,011
Repayments of borrowings		(3,927,859)	(1,469,462)
Cash inflow from derivate instruments		454,161	-
Interest paid		(996,485)	(778,768)
Dividend paid		(199,811)	-
Commission paid		(95,341)	(31,223)
Net cash used in financing activities		(4,671,389)	(640,442)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,327,869)	(307,978)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		2,831,049	627,196
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	9,254,834	3,004,834
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	8,758,014	3,324,052

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Ülker Bisküvi Sanayi A.Ş. (“the Company”) and its subsidiaries (all together “the Group”) comprise 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 (2022: 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. went public by merging with Anadolu Gıda Sanayi A.Ş., which has been traded on Borsa İstanbul A.Ş. (“BİST”) (Former Name: Istanbul Stock Exchange (“ISE”)) since 30 October 1996, under its own name 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 June 2023, the total number of people employed by the Group 9,238, which contain 1,852 employees who worked as subcontractors (31 December 2022: 9,489, subcontractor: 1,914).

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 June 2023 and 31 December 2022, the names and percentages of the shareholders holding more than 5% of the Company’s share capital are as follows:

Title of Shareholders	Share	30 June 2023	Share	31 December 2022
		Percentage		Percentage
pladis Foods Limited	174,420	51.00%	174,420	51.00%
Other	167,580	49.00%	167,580	49.00%
	342,000	100.00%	342,000	100.00%

As of 30 June 2023 and 31 December 2022, the details of the subsidiaries (“Subsidiaries”) under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	30 June 2023		31 December 2022		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.	73.9%	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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)

Approval of consolidated financial statements:

The Board of Directors has approved the consolidated financial statements and given authorization for the issuance on 17 August 2023. The General Assembly has the authority to amend the consolidated financial statements.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation:

Principles for Preparation of Consolidated Financial Statements and Significant Accounting Policies

The consolidated financial statements of the Group 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, the financial statements have been prepared in accordance with the "Announcement on TFRS Taxonomy" published by POA and the resolution of CMB about the Illustrations of Financial Statements and Application Guidance published on 4 October 2022.

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's decision dated March 17, 2005 and numbered 11/367, the application of inflation accounting was terminated, effective from 1 January 2005, for companies operating in Turkey and preparing financial statements in accordance with Turkish Accounting Standards. Accordingly, as of January 1, 2005, Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

POA made an announcement on 20 January 2022 regarding the application of TAS 29 "Financial Reporting in Hyperinflationary Economies Under the Financial Reporting Standard for Large and Medium-sized Enterprises" ("TAS 29") 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 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 financial statements as of 30 June 2023 in accordance with TAS 29.

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. The consolidated financial statements have been prepared under historical cost conventions except for land, buildings, investment properties, 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 2022 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.

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

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

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>

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.

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.

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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

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 TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

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 2024 for insurance and reinsurance and pension companies.

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 2024 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 insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

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3. SEGMENT REPORTING

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, operational profit and EBITDA.

The Group follows its operations with domestic (local operations of Turkish companies in Turkey) and international basis in accordance with TFRS 8. The information for 1 January – 30 June 2023 and 1 January – 30 June 2022 is as follows:

	Domestic	Foreign	1 January - 30 June 2023
Revenue	12,859,019	6,764,591	19,623,610
Gross Profit	3,929,317	2,538,612	6,467,929
Operating Profit (*)	2,634,763	1,396,618	4,031,381
EBITDA (**)	2,733,404	1,524,680	4,258,084
EBITDA/Revenue	21.3%	22.5%	21.7%
Investment Expenses	203,510	117,346	320,856
	Domestic	Foreign	1 January - 30 June 2022
Revenue	7,089,243	4,787,817	11,877,060
Gross Profit	1,781,237	1,765,563	3,546,800
Operating Profit (*)	1,246,474	970,968	2,217,442
EBITDA (**)	1,308,551	1,070,445	2,378,996
EBITDA/Revenue	18.5%	22.4%	20%
Investment Expenses	133,876	48,723	182,599

(*) Operating profit before other income and expense.

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

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4. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash on hand	1,276	4,588
Demand bank deposits	1,699,018	1,299,382
Time bank deposits	7,083,766	7,968,329
Impairment provision	(26,046)	(17,465)
	8,758,014	9,254,834

The details of time deposits are as follows:

Currency Type	Interest Rate (%)	Maturity	30 June 2023
TL	39.25%	July 2023	1,121,412
USD	3.47%	July 2023	4,960,941
EUR	2.64%	July 2023	774,006
EGP	15.00%	July 2023	80,868
SAR	4.75%	July 2023	104,935
KZT	13.00%	July 2023	41,604
			7,083,766
Currency Type	Interest Rate (%)	Maturity	31 December 2022
TL	20.00%	January 2023	1,431,658
USD	3.73%	January 2023	6,251,869
EUR	0.01%	January 2023	65,785
EGP	8.25%	January 2023	77,232
SAR	4.75%	January 2023	75,729
KZT	13.00%	January 2023	66,056
			7,968,329

5. FINANCIAL INVESTMENTS

Short-Term Financial Investments:	30 June 2023	31 December 2022
Financial assets measured at fair value through profit/loss	3,957	210,497
	3,957	210,497
Long-Term Financial Investments:	30 June 2023	31 December 2022
Financial assets measured at fair value through other comprehensive income (*)	3,700,845	2,687,204
	3,700,845	2,687,204

(*)Equity investments in which the Group has no significant influence are classified as financial investments at fair value through other comprehensive income. As of 30 June 2023, the after-tax difference to the parent amounting to TL 2,971,444 thousand has been recognized for in equity (2022: TL 2,020,802 thousand)

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5. FINANCIAL INVESTMENTS (cont'd)

Financial Assets at Fair Value Through Other Comprehensive Income

	30 June 2023	31 December 2022
G New, Inc	1,083,324	784,426
Godiva Belgium BVBA	2,441,589	1,767,935
Other	175,932	134,843
	3,700,845	2,687,204

6. FINANCIAL LIABILITIES

	30 June 2023	31 December 2022
Short-term financial liabilities	1,598,560	925,081
Short-term portion of long-term financial liabilities	3,690,594	10,476,406
Long-term financial liabilities	23,317,042	12,349,131
	28,606,196	23,750,618

Other Current Liabilities:

	30 June 2023	31 December 2022
Letter of credit borrowings	1,598,560	925,081
	1,598,560	925,081

Short-Term Portions of Long-Term Financial Liabilities

	30 June 2023	31 December 2022
Bank loans	2,567,485	9,655,778
Issued debt instruments (*)	1,122,118	812,749
Financial lease liabilities	991	7,879
	3,690,594	10,476,406

Long-Term Financial Liabilities

	30 June 2023	31 December 2022
Bank loans	8,039,399	1,315,059
Issued debt instruments (*)	15,275,574	11,031,399
Financial lease liabilities	2,069	2,673
	23,317,042	12,349,131

(*)The Group has USD 650,000,000 of bond issued on the Irish Stock Exchange (Euronext Dublin) on 30 October 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%.

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6. FINANCIAL LIABILITIES (cont'd)

In order to refinance the syndication and EBRD loans, the Group utilized a syndicated and EBRD loan with a 3 years maturity and the participation of 6 international banks on 20 April 2023. The utilized loan consists of tranches of Murabaha amounting to EUR 25 million and USD 10 million, conventional loans amounting to USD 25 million and EUR 171 million, and a conventional loan with EBRD amounting to EUR 75 million. This loan is the Group's first sustainability-linked loan and has been used to repay the syndication and EBRD loans with a total amount of USD 457 million, which matured in April 2023.

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, the consolidated financial statements of the Group are in line with the provisions of bank loan agreements.

Financial Liabilities:

30 June 2023

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short-Term</u>	<u>Long-Term</u>
TL	July 2023-October 2025	27.68%	991	2,069
EUR	October 2023-April 2026	7.69%	1,229,179	16,088,323
USD	October 2023- April 2026	10.82%	3,806,558	6,904,933
EGP	July 2023-September 2023	8.00%	2,805	-
KZT	July 2023-January 2026	11.98%	249,621	321,717
			5,289,154	23,317,042

31 December 2022

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short-Term</u>	<u>Long-Term</u>
TL	January 2023-October 2025	27.22%	7,879	2,673
USD	April 2023- October 2025	6.75%	2,883,061	11,031,397
EUR	April 2023-April 2024	3.97%	8,312,771	1,015,858
EGP	March 2023-September 2023	8.00%	5,438	-
KZT	January 2023-January 2026	11.97%	192,338	299,203
			11,401,487	12,349,131

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6. FINANCIAL LIABILITIES (cont'd)

Financial Liabilities: (cont'd)

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

	30 June 2023	31 December 2022
To be paid within 1 year	3,689,603	10,468,527
To be paid within 1-2 years	2,013,462	1,520,137
To be paid within 2-3 years	21,301,511	10,800,835
To be paid within 3-4 years	-	25,486
	27,004,576	22,814,985

Short-Term Portion of Long-Term Financial Lease Liabilities

	30 June 2023	31 December 2022
Financial lease liabilities	2,177	9,511
Deferred leasing borrowing costs (-)	(1,186)	(1,632)
	991	7,879

Long-Term Financial Lease Liabilities

	30 June 2023	31 December 2022
Financial lease liabilities	2,755	3,957
Deferred leasing borrowing costs (-)	(686)	(1,284)
	2,069	2,673

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

	30 June 2023	31 December 2022
To be paid within 1 year	991	7,879
To be paid within 1-2 years	1,500	1,239
To be paid within 2-3 years	569	1,434
	3,060	10,552

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables from Related Parties

	30 June 2023	31 December 2022
Trade receivables from related parties (Note 21)	5,246,057	4,100,552
	5,246,057	4,100,552

Other Trade Receivables

	30 June 2023	31 December 2022
Trade receivables	4,685,598	3,320,713
Provision for expected credit loss	(38,895)	(32,925)
	4,646,703	3,287,788

Total Short-Term Trade Receivables

	30 June 2023	31 December 2022
	9,892,760	7,388,340

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7. TRADE RECEIVABLES AND PAYABLES (cont'd)

The movement of the allowance for expected credit loss as of 30 June 2023 and 2022 is as follows:

	1 January- 30 June 2023	1 January- 30 June 2022
Opening balance	(32,925)	(19,855)
Charge for the period	(1,025)	(728)
Cancelled provision amount	565	58
Foreign currency translation differences	(5,510)	(1,842)
Closing balance	(38,895)	(22,367)

	30 June 2023	31 December 2022
Short-Term Trade Payables		
Trade payables to related parties (Note 21)	1,142,045	1,079,457
Trade payables	3,285,702	3,081,810
	4,427,747	4,161,267

8. OTHER RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Other Receivables		
Non-trade receivables from related parties (Note 21)	1,830,568	1,194,805
Short-term other receivables	296,346	362,795
	2,126,914	1,557,600

	30 June 2023	31 December 2022
Other Short-Term Receivables		
VAT Receivables	238,453	315,646
Deposits and guarantees given	46,104	35,352
Receivables from personnel	5,007	4,713
Other	6,782	7,084
	296,346	362,795

	30 June 2023	31 December 2022
Other Payables		
Other short-term payables	4,849	3,025
	4,849	3,025

	30 June 2023	31 December 2022
Other Short-Term Payables		
Deposits and guarantees received	822	22
Other payables	4,027	3,003
	4,849	3,025

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9. DERIVATIVE INSTRUMENTS

The Group, in order to hedge currency risk, in line with the payment schedule of the syndicated loan of EUR 196,219,265 and the EBRD loan of EUR 75,000,000 used on 20 April 2023, a total of EUR 125,000,000 Cross Currency Fixed Interest Rate Swap has executed on 23 March 2023, 4 April 2023, and 15 June 2023. On 22 March and 5 April 2023, the Company has executed a Cross Currency Fixed Rate Swap transaction in the amount of USD 100,000,000 to hedge against currency risks, in parallel with the payment plan of its USD 650,000,000 bond (5-year maturity, pays semi-annual coupons, and has a fixed annual interest rate of 6.95% to be paid at maturity together with the principal) issued on October 30, 2020. These transactions are associated with cash flow hedging purposes in the accompanying consolidated financial statements.

In addition, the Group made forward transactions of USD 22,500,000 on May 5, 2023 and in total EUR 29,000,000 on January 10, 2023, January 11, 2023, January 19, 2023, May 8, 2023, May 9, 2023, May 10, 2023, May 11, 2023, June 12, 2023, June 19, 2023 and June 23, 2023.

As of 30 June 2023 and 31 December 2022, derivative instruments are as follows:

	30 June 2023		31 December 2022	
	Contract Amount	Fair Values Asset	Contract Amount	Fair Values Asset/(Liability)
For hedging purposes				
Cross Currency Fixed Rate Swaps	6,101,560	158,468	4,983,725	733,042
Fixed Interest Rate Swap	-	-	617,044	12,800
Buy-sell purposes				
Forward Transactions	1,397,486	87,066	559,130	(22,724)
Total Asset	7,499,046	245,534	6,159,899	723,118

10. INVENTORIES

Details of inventory are as follows:

	30 June 2023	31 December 2022
Raw materials	4,773,061	3,491,225
Work in progress	178,633	144,682
Finished goods	1,248,915	1,155,578
Trade goods	144,354	87,087
Other inventories	300,543	179,664
Allowance for impairment on inventory (-)	(90,347)	(61,886)
	6,555,159	4,996,350

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

Inventory impairment movements for the six months ended period of 30 June 2023 and 2022 are as follows;

	1 January- 30 June 2023	1 January- 30 June 2022
Opening balance	(61,886)	(33,953)
Charge for the period	(11,530)	(6,930)
Write-offs	711	1,363
Foreign currency translation differences	(17,642)	(5,266)
Closing balance	(90,347)	(44,786)

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11. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment assets between 1 January - 30 June 2023 is as follows:

Cost	1 January 2023	Additions	Disposal	Transfer	Foreign currency translation differences	30 June 2023
Land	2,785,109	-	-	-	17,794	2,802,903
Buildings	3,205,239	3,510	(25)	(3,369)	238,068	3,443,423
Machinery, plant and equipment	4,891,083	51,351	(28,796)	58,305	879,606	5,851,549
Vehicles	20,215	1,669	(2,366)	205	5,128	24,851
Furniture and fixture	279,190	19,104	(1,400)	(3,191)	50,700	344,403
Leasehold improvements	59,613	872	-	-	210	60,695
Other property, plant and equipment	55	35,116	-	-	-	35,171
Construction in progress	216,837	206,808	(74)	(51,776)	54,325	426,120
	11,457,341	318,430	(32,661)	174	1,245,831	12,989,115
Accumulated depreciation	1 January 2023	Charge for the Period	Disposal	Transfer	Foreign currency translation differences	30 June 2023
Buildings	(1,895,522)	(34,921)	1	(5,005)	(127,938)	(2,063,385)
Machinery, plant and equipment	(2,512,841)	(163,425)	7,742	5,005	(523,703)	(3,187,222)
Vehicles	(18,137)	(944)	2,366	2,760	(3,610)	(17,565)
Furniture and fixture	(171,546)	(16,659)	1,296	(2,760)	(34,639)	(224,308)
Leasehold improvements	(42,249)	(2,401)	-	-	(210)	(44,860)
Other property, plant and equipment	(35)	(5,226)	-	-	-	(5,261)
	(4,640,330)	(223,576)	11,405	-	(690,100)	(5,542,601)
Net Value	6,817,011					7,446,514

From depreciation and amortization expenses of property, plant and equipment and intangible assets, TL 213,984 thousand (30 June 2022: TL 152,812 thousand) is included in cost of goods sold, TL 604 thousand (30 June 2022: TL 400 thousand) in research and development expenses, TL 4,343 thousand (30 June 2022: TL 3,343 thousand) in marketing and selling expenses, TL 7,772 thousand (30 June 2022: TL 4,999 thousand) in general administrative expenses. In the six-month period ending as of 30 June 2023, 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 June 2023.

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11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movement of property, plant and equipment between 1 January and 30 June 2022 is as follows:

Cost	1 January 2022	Additions	Disposal	Transfer	Foreign currency translation differences	30 June 2022
Land	836,106	-	-	-	4,227	840,333
Buildings	1,450,365	1,222	(919)	(639)	93,054	1,543,083
Machinery, plant and equipment	3,813,432	35,611	(11,073)	40,659	359,669	4,238,298
Vehicles	18,166	19	(2,243)	-	2,135	18,077
Furniture and fixture	210,935	7,153	(9,161)	8,410	20,418	237,755
Leasehold improvements	54,222	368	(38)	-	110	54,662
Other property, plant and equipment	32	23	-	-	-	55
Construction in progress	179,153	137,618	(303)	(48,323)	10,244	278,389
	6,562,411	182,014	(23,737)	107	489,857	7,210,652
Accumulated depreciation	1 January 2022	Charge for the Period	Disposal	Transfer	Foreign currency translation differences	30 June 2022
Buildings	(748,130)	(21,405)	23	(817)	(48,815)	(819,144)
Machinery, plant and equipment	(1,980,546)	(123,708)	5,221	710	(213,053)	(2,311,376)
Vehicles	(16,450)	(600)	2,243	-	(2,030)	(16,837)
Furniture and fixture	(138,206)	(11,209)	9,010	-	(13,423)	(153,828)
Leasehold improvements	(38,154)	(2,108)	24	-	(96)	(40,334)
Other property, plant and equipment	(32)	(1)	-	-	-	(33)
	(2,921,518)	(159,031)	16,521	(107)	(277,417)	(3,341,552)
Net Value	3,640,893					3,869,100

In the six-month period ending as of 30 June 2022, there is no fixed asset acquired through financial leasing by the Group. As of 30 June 2022, there are no property, plant and equipment subject to mortgages or pledges.

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11. PROPERTY, PLANT AND EQUIPMENT (cont’d)

The estimated useful lives of property, plant and equipment are as follows:

	<u>Useful Life</u>
Buildings	25 – 50 years
Machinery, plant and equipment	4 – 20 years
Vehicles	4 – 10 years
Other property, plant and equipment	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 3 February 2023. The revaluation was performed by Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. authorized by Capital Markets Board. Properties were accounted on 31 December 2022 financial statements based on their fair values. The frequency of revaluations is related with the changes on the market values of the properties. If there is significant change at the fair value, revaluation is performed. If not, properties are only subject to periodical revaluation.

12. GOODWILL

	<u>30 June 2023</u>	<u>30 June 2022</u>
Opening balance	1,122,211	896,538
Foreign currency translation difference	514,888	110,204
Closing balance	<u>1,637,099</u>	<u>1,006,742</u>

The distribution of goodwill is as follows:

Company	<u>30 June 2023</u>	<u>31 December 2022</u>
UI Mena B.V.	1,574,765	1,079,482
IBC	62,334	42,729
	<u>1,637,099</u>	<u>1,122,211</u>

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 statement by restating prior years.

International Biscuits Company

Yıldız Holding A.Ş. acquired United Biscuit Group as of 3 November 2014. Goodwill accounted at Yıldız Holding’s financial statement related with IBC acquisition is accounted in Ülker Bisküvi’s consolidated financial statement by restating prior years.

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13. INTANGIBLE ASSETS

Movements of intangible assets between 1 January - 30 June 2023 are as follows:

Cost	1 January 2023	Addition	Disposal	Transfer	Foreign currency translation differences	30 June 2023
Rights (*)	923,383	1,475	-	(360)	355,861	1,280,359
Other	21,275	951	-	186	5,347	27,759
	944,658	2,426	-	(174)	361,208	1,308,118

Amortization	1 January 2023	Charge for the Period	Disposal	Transfer	Foreign currency translation differences	30 June 2023
Rights	(31,726)	(1,863)	-	-	(7,452)	(41,041)
Other	(17,457)	(1,264)	-	-	(5,186)	(23,907)
	(49,183)	(3,127)	-	-	(12,638)	(64,948)
Net Book Value	895,475					1,243,170

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

Cost	1 January 2022	Addition	Disposal	Transfer	Foreign currency translation differences	30 June 2022
Rights (*)	675,632	299	(856)	-	148,871	823,946
Other	14,825	286	(4)	-	2,454	17,561
	690,457	585	(860)	-	151,325	841,507

Accumulated Amortization	1 January 2022	Charge for the Period	Disposal	Transfer	Foreign currency translation differences	30 June 2022
Rights	(28,760)	(371)	4	-	(1,960)	(31,087)
Other	(10,393)	(2,152)	4	-	(1,950)	(14,491)
	(39,153)	(2,523)	8	-	(3,910)	(45,578)
Net Book Value	651,304					795,929

(*) As of 30 June 2023, rights contain reacquired rights related with Saudi distribution agreements of Groups products in Saudi Arabia amounting to TL 1,027,450 thousand (30 June 2022: TL 662,924 thousand), the remaining amount of TL 196,846 thousand (30 June 2022: TL 121,051 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. The group has not identified any indicators of impairment in the carrying amounts as a result of analyses of other intangible assets. Therefore, as of June 30, 2023, no impairment test has been performed.

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13. INTANGIBLE ASSETS (cont’d)

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

	Useful Life
Rights	2 years – Infinite life
Other intangible assets	2 – 12 years

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

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

	30 June 2023			31 December 2022		
	TL	USD	EUR	TL	USD	
A) CPM’s given in the name of own legal personality	279,501	25,354	337	275,569	25,354	337
B) CPM’s given on behalf of the fully consolidated companies	-	-	100,000	-	-	174,750
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	-	-	-	-	-	-
	279,501	25,354	100,337	275,569	25,354	175,087

(*) Non-cash risk amounting to TL 133 million and USD 5.8 million.

(**) The ratio of other collaterals, pledges and mortgages given by the group to the Group’s parent company’s equity is zero as of 30 June 2023 (31 December 2022: zero).

The Company’s ultimate parent company Yıldız Holding A.Ş. and some Yıldız Holding Group entities including Ülker Bisküvi’s associates 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 associates 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 thousand 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 associates became guarantors of Yıldız Holding A.Ş. as of the date of using the loan limited to their existing total bank loan risk exposure.

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15. REVENUE AND COST OF SALES

The detail of operating income is as follows:

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Domestic sales (*)	22,118,381	10,425,084	12,769,891	6,161,390
Export sales	3,777,627	2,004,636	2,711,674	1,519,472
Sales returns and discounts (-)	(6,272,398)	(2,917,866)	(3,604,505)	(1,689,820)
Revenue	19,623,610	9,511,854	11,877,060	5,991,042
Cost of goods sold	(12,738,138)	(6,273,467)	(8,192,257)	(4,212,909)
Cost of trade goods sold	(417,543)	(241,414)	(138,003)	(80,423)
Cost of sales	(13,155,681)	(6,514,881)	(8,330,260)	(4,293,332)
Gross Profit	6,467,929	2,996,973	3,546,800	1,697,710

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

16. EXPENSES BY NATURE

The detail of operating expenses is as follow:

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
General Administrative Expenses				
Personnel expenses	(182,069)	(102,560)	(124,988)	(63,899)
Operating expenses	(176,804)	(94,735)	(92,856)	(45,644)
Consultancy expenses	(21,521)	(9,540)	(29,169)	(18,553)
Depreciation and amortization	(7,772)	(4,716)	(4,999)	(2,602)
Other	(70,786)	(36,413)	(26,363)	(14,881)
	(458,952)	(247,964)	(278,375)	(145,579)
Marketing Expenses				
Marketing operating expenses	(1,476,588)	(687,843)	(777,263)	(355,565)
Personnel expenses	(304,186)	(156,799)	(182,761)	(96,363)
Rent expenses	(29,227)	(15,871)	(21,328)	(10,819)
Depreciation and amortization	(4,343)	(2,515)	(3,343)	(1,632)
Other	(84,100)	(43,468)	(36,574)	(19,640)
	(1,898,444)	(906,496)	(1,021,269)	(484,019)
Research and Development Expenses				
Personnel expenses	(37,735)	(16,192)	(16,725)	(8,985)
Materials used	(17,511)	(9,304)	(5,882)	(4,250)
Depreciation and amortization	(604)	(304)	(400)	(204)
Other	(23,302)	(13,468)	(6,707)	(3,791)
	(79,152)	(39,268)	(29,714)	(17,230)

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17. FINANCE INCOME

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Foreign exchange gain	144,936	16,586	5,337	(22,157)
Other	1,492	771	1,219	494
	146,428	17,357	6,556	(21,663)

18. FINANCE EXPENSES

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Foreign exchange losses from financing	(7,765,661)	(6,913,059)	(3,483,936)	(1,867,349)
Interest expenses	(1,282,445)	(712,484)	(921,427)	(531,689)
Other	(96,833)	(54,132)	(32,673)	(13,913)
	(9,144,939)	(7,679,675)	(4,438,036)	(2,412,951)

19. 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, 23% tax rate will be taken into account for the period of 1 January – 31 December 2022. 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 23% rate over the cumulative corporate tax base of 2022 for the whole year. For the year 2023, taxation will be made by considering the rate of 20% over the corporate tax base.

The rate applied in the calculation of deferred tax assets and liabilities for entities in Turkey is 20% (2022: 20%), for entities in Saudi Arabia and Kazakhstan is 20% (2022: 20%), for entities in Egypt is 22.5% (2022: 22.5%), for the entity in Kyrgyzstan 10% (2022: 10%), and for the entity in the United Arab Emirates is zero (2022: Zero).

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19. TAX ASSET AND LIABILITIES (cont’d)

Timing differences forming the basis of deferred tax:

	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Amortization of property, plant and equipment and intangible assets	-	-	801,802	1,195,251
Financial investments valuation differences	-	-	3,162,244	2,153,260
Profit elimination on inventories	(50,176)	(48,541)	-	-
Provisions for employment termination benefits	(702,347)	(611,798)	-	-
Provision for expected credit losses	(50,675)	(31,045)	-	-
Prior years’ losses	(7,509,636)	(4,771,583)	-	-
Provision for lawsuits	(8,766)	(8,639)	-	-
Impairment on inventories	(79,520)	(62,535)	-	-
Derivative instruments	-	-	245,532	723,116
Provision for unused vacation	(61,988)	(56,741)	-	-
Other	(340,332)	(79,940)	317,730	157,775
	(8,803,440)	(5,670,822)	4,527,308	4,229,402

Deferred tax calculated over timing differences that form the basis of deferred tax:

	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Amortization of property, plant and equipment and intangible assets	(71,666)	-	-	35,143
Financial investments valuation differences	-	-	160,481	104,521
Profit elimination on inventories	(10,035)	(9,708)	-	-
Provisions for employment termination benefits	(140,469)	(122,360)	-	-
Provision for expected credit losses	(10,135)	(6,209)	-	-
Prior years’ losses	(1,502,523)	(954,856)	-	-
Provision for lawsuits	(1,753)	(1,728)	-	-
Impairment on inventories	(15,904)	(12,507)	-	-
Derivative instruments	-	-	49,107	144,624
Provision for unused vacation	(12,398)	(11,348)	-	-
Investment incentive	(37,855)	(39,076)	-	-
Other	(68,067)	(15,987)	63,546	31,555
	(1,870,805)	(1,173,779)	273,134	315,843

Movements of Deferred Tax Liability:

	1 January- 30 June 2023	1 January- 30 June 2022
Opening balance	(857,936)	(192,942)
Taxes netted from funds recognized under equity	(108,680)	(5,791)
Foreign currency translation differences	67,264	1,180
Deferred tax (income)/expense	(698,319)	(401,468)
	(1,597,671)	(599,021)

As at 30 June 2023, the Group calculated deferred tax assets of TL 7,509,636 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2022: TL 4,771,583 thousand).

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19. TAX ASSET AND LIABILITIES (cont'd)

The maturities of these losses are as follows:

	30 June 2023	31 December 2022
2025	419,136	295,002
2026	774,301	772,043
2027	3,704,538	3,704,538
2028	2,611,661	-
	7,509,636	4,771,583

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.

The corporate tax rate to be accrued on taxable corporate income is calculated over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial profit and deducting the tax-exempt earnings, non-taxable incomes and other deductions (previous year losses, if any, and investment discounts used if preferred). The tax rate applied on 30 June 2023 is 20% (2022: 23%).

In Turkey, provisional tax is calculated and accrued on a quarterly basis. During the taxation of the corporate earnings for the year of 2023, as of the temporary tax periods, the provisional tax rate to be calculated over the corporate earnings is 20% (2022: 23%).

Losses can be carried forward for a maximum of 5 years, to be deducted from taxable profits in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

There is no definitive and definitive agreement procedure regarding tax assessment in Turkey. Companies prepare their tax returns between 1-25 April of the year following the closing period of the relevant year (between 1-25 of the fourth month following the closing of the period for those with a special accounting period). These declarations and the accounting records based on them can be reviewed and changed by the Tax Office within 5 years.

The tax legislation in Turkey does not allow to file a consolidated tax return. Therefore, the tax provision in the consolidated financial statements has been calculated separately for each company.

The corporate tax in Egypt, where Hi Food for Advanced Food Industries and Ulker for Trading and Marketing, subsidiaries of the Group is 22.5% (2022: 22.5%). The corporate tax rate in Saudi Arabia, where Food Manufacturers' Company and International Biscuits Company, subsidiaries of the Group, operate is 20% (2022: 20%). The corporate tax rate in Kazakhstan, where Hamle Company Ltd LLP, a subsidiary of the Group, operates is 20% (2022: 20%). The corporate tax rate in Kyrgyzstan, where Ülker Star LLC, a subsidiary of the Group, operates is 10% (2022: 10%). In United Arab Emirates, where Amir Global Trading FZE, a subsidiary of the Group, operates is exempt from corporate tax earnings (2022: Exempt).

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19. TAX ASSET AND LIABILITIES (cont'd)

Tax Advantages Obtained Under the Investment Incentive System

Earnings from the Group's investments tied to the incentive certificate are subject to corporate tax at reduced rates from the accounting period in which the investment is started to be partially or fully operated until the investment contribution amount is reached. In this context, as of 30 June 2023, the tax advantage amounting to TL 37,855 thousand (31 December 2022: TL 39,076 thousand) that the Group will benefit from in the foreseeable future is reflected in the consolidated financial statements as a deferred tax asset. As a result of the recognition of the said tax advantage as of 30 June 2023, a deferred tax expense amounting to TL 1,221 thousand has occurred in the consolidated statement of profit or loss for the period 1 January - 30 June 2023. Deferred tax assets are recognized in case it is determined that taxable income is likely to occur in the future. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-life investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models containing taxable profit estimations. The deferred tax assets are expected to be recovered within 5 years from the balance sheet date. In the sensitivity analysis carried out as of 30 June 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets related to investment incentives, which is foreseen as 5 years, has not changed.

Income withholding tax

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

Provision for taxation as of 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023	31 December 2022
Total tax provision	(526,870)	(680,294)
Prepaid taxes and legal obligations	21,459	418,341
Taxation in the balance sheet	(505,411)	(261,953)
	1 January- 30 June 2023	1 January- 30 June 2022
Current year corporate tax expense	526,870	364,274
Deferred tax income	(698,319)	(401,468)
Tax expense in the income statement	(171,449)	(37,194)

20. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding as of 30 June 2023 and 2022 and computation of earnings per share set out here are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022
Weighted average number of common stock outstanding	34,200,000	34,200,000
Net (loss)/profit for the period attributable to equity holders of the parent	(796,751)	(1,119,340)
Earnings per Share (TL 1 worth of shares)	(2.33)	(3.27)

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21. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	30 June 2023	31 December 2022
Trade receivables	5,246,057	4,100,552
Non-trade receivables	1,830,568	1,194,805
	7,076,625	5,295,357

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

	30 June 2023		31 December 2022	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	-	1,830,568	-	1,194,805
Other Companies Controlled by the Principle Shareholder				
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	2,237,132	-	1,564,375	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	1,954,467	-	1,685,710	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	413,752	-	333,828	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	316,503	-	310,826	-
Other	324,203	-	205,813	-
	5,246,057	1,830,568	4,100,552	1,194,805

The Groups trade receivables from related parties mainly arise from Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Tic. A.Ş. those make the sale and distribution of products throughout Turkey.

The details of payables to related parties are as follows:

	30 June 2023	31 December 2022
Trade payables	1,142,045	1,079,457
	1,142,045	1,079,457

The details of trade and non-trade payables are as follows:

	30 June 2023	31 December 2022
	Trade	Trade
Main Shareholder		
Yıldız Holding A.Ş.	699,835	505,932
Other Companies Controlled by the Main Shareholder		
Kerevitaş Gıda San. ve Tic. A.Ş.	190,343	274,079
United Biscuits (UK) Ltd.	129,386	113,435
Marsa Yağ San. ve Tic. A.Ş.	66,316	50,912
Adapazarı Şeker Fabrikası A.Ş.	-	97,063
Other	56,165	38,036
	1,142,045	1,079,457

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21. RELATED PARTY DISCLOSURES (cont'd)

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

	1 January- 30 June 2023		1 April- 30 June 2023		1 January- 30 June 2022		1 April- 30 June 2022	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
<i>Other Companies Controlled by the Main Shareholder</i>								
Kerevitaş Gıda San. ve Tic. A.Ş.	941,685	-	499,043	-	768,464	-	314,215	-
Marsa Yağ San. ve Tic. A.Ş.	225,148	-	105,738	-	198,836	-	92,000	-
Adapazarı Şeker Fabrikası A.Ş.	172,249	-	85,489	-	75,821	-	267	-
United Biscuits (UK) Ltd.	165,816	15,206	88,816	9,856	121,250	10,622	70,717	6,139
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	3,762	477,672	1,592	204,757	2,572	270,447	1,204	145,872
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	5,841,269	-	2,733,027	-	3,371,360	-	1,652,736
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	5,099,670	-	2,450,083	-	2,730,068	-	1,415,519
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	798,798	-	378,864	-	418,280	-	181,823
Other	77,626	268,184	37,016	129,010	54,315	176,383	30,444	67,596
	1,586,286	12,500,799	817,694	5,905,597	1,221,258	6,977,160	508,847	3,469,685

The Group mainly acquires raw materials from Kerevitaş Gıda San. ve Tic. A.Ş, which produces vegetable oil and margarine, ve Marsa Yağ San. ve Tic. 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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21. RELATED PARTY DISCLOSURES (cont’d)

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

For the six months period ended 30 June 2023:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Main Shareholder			
Yıldız Holding A.Ş.	(162)	(486,158)	516,007
Other Companies Controlled by the Main Shareholder			
pladis Foods Limited	-	(183,163)	(13,726)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	51	(54,432)	12,746
United Biscuits (UK) Ltd.	-	(19,736)	(971)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(53,717)	36,510
Most Bilgi Sistemleri Tic. A.Ş.	(2,307)	(47,178)	-
Other	205	(26,557)	357
	(2,213)	(870,941)	550,923

For the three months between 1 April - 30 June 2023 periods:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Main Shareholder			
Yıldız Holding A.Ş.	(47)	(245,764)	503,955
Other Companies Controlled by the Main Shareholder			
pladis Foods Limited	-	(88,925)	(13,768)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	22	(31,138)	7,960
United Biscuits (UK) Ltd.	-	(5,316)	(417)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(28,150)	12,353
Most Bilgi Sistemleri Tic. A.Ş.	(1,154)	(23,598)	-
Other	108	(13,797)	302
	(1,071)	(436,688)	510,385

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21. RELATED PARTY DISCLOSURES (cont’d)

For the six months period ended 30 June 2022:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Main Shareholder			
Yıldız Holding A.Ş.	(427)	(276,342)	154,682
Other Companies Controlled by the Main Shareholder			
pladis Foods Limited	-	(111,221)	1,468
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	42	(13,115)	7,535
United Biscuits (UK) Ltd.	-	(18,149)	(1,873)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(13,556)	56,266
Most Bilgi Sistemleri Tic. A.Ş.	(1,332)	(18,048)	-
Other	157	(18,269)	(2,551)
	(1,560)	(468,700)	215,527

For the three months between 1 April - 30 June 2022 periods:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Main Shareholder			
Yıldız Holding A.Ş.	(163)	(137,734)	68,844
Other Companies Controlled by the Main Shareholder			
pladis Foods Limited	-	(58,090)	1,679
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	21	15	584
United Biscuits (UK) Ltd.	-	(11,214)	(475)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	2,369	27,210
Most Bilgi Sistemleri Tic. A.Ş.	(671)	(7,213)	-
Other	81	(11,912)	(1,494)
	(732)	(223,779)	96,348

Benefits provided to members of BOD and key management personnel:

	30 June 2023	30 June 2022
Salaries and other short-term benefits	159,732	47,394
	159,732	47,394

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22. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk.

The Group is exposed to exchange rate risk due to changes in the exchange rates used in the conversion of foreign currency assets and liabilities into Turkish Lira. Currency risk arises due to future commercial transactions and the difference between recorded assets and liabilities. In this framework, the Group controls this risk with a natural method that occurs by netting foreign currency assets and liabilities. The management analyzes and monitors the Group's foreign currency position and ensures that measures are taken when necessary. The Group is exposed to currency risk mainly in USD, EUR, GBP and CHF.

The distribution of the Group's monetary and non-monetary assets in foreign currency and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	30 June 2023				
	TL				
	Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	3,436,461	98,821	29,235	1,875	-
2a. Monetary Financial Assets	10,975,745	325,333	90,908	426	43
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	371,308	7,383	6,292	28	90
4. CURRENT ASSETS	14,783,514	431,537	126,435	2,329	133
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	14,783,514	431,537	126,435	2,329	133
10. Trade Payables	1,176,938	33,176	10,754	455	88
11. Financial Liabilities	5,035,741	47,600	135,205	-	-
12a. Other Monetary Financial Liabilities	4,022	14	130	-	-
12b. Other Non-monetary Financial Liabilities	13,852	290	226	-	-
13. CURRENT LIABILITIES	6,230,553	81,080	146,315	455	88
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	22,993,271	623,021	245,256	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	22,993,271	623,021	245,256	-	-
18. TOTAL LIABILITIES	29,223,824	704,101	391,571	455	88
19. Net Assets of Off Statement of Financial Position (19a-19b)	7,499,046	122,500	154,000	-	-
19a. Net Assets of Off Statement of Financial Position	7,499,046	122,500	154,000	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(6,941,264)	(150,064)	(111,136)	1,874	45
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(14,797,766)	(279,657)	(271,202)	1,846	(45)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	245,534	(2,829)	11,316	-	-

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22. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

	31 December 2022				
	TL				
	Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	2,637,172	117,053	21,025	1,305	-
2a. Monetary Financial Assets	8,792,141	465,415	4,177	256	32
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	495,847	7,389	17,837	20	82
4. CURRENT ASSETS	11,925,160	589,857	43,039	1,581	114
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	11,925,160	589,857	43,039	1,581	114
10. Trade Payables	854,107	23,474	18,592	1,876	117
11. Financial Liabilities	11,195,832	154,189	416,995	-	-
12a. Other Monetary Financial Liabilities	3,408	49	125	-	-
12b. Other Non-monetary Financial Liabilities	21,028	920	175	15	-
13. CURRENT LIABILITIES	12,074,375	178,632	435,887	1,891	117
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	12,047,255	589,968	50,959	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	12,047,255	589,968	50,959	-	-
18. TOTAL LIABILITIES	24,121,630	768,600	486,846	1,891	117
19. Net Assets of Off Statement of Financial Position (19a-19b)	5,542,855	6,000	272,420	-	-
19a. Net Assets of Off Statement of Financial Position	5,542,855	6,000	272,420	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(6,653,615)	(172,743)	(171,387)	(310)	(3)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(12,671,289)	(185,212)	(461,469)	(315)	(85)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	710,318	(590)	36,185	-	-

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22. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

The export and import amounts realized by the Group as of 30 June 2023 and 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022
Total exports	3,777,627	2,711,674
Total imports	3,440,374	1,948,378

Sensitivity to currency risk

The Group is exposed to currency risk mainly in USD and EURO. The table below shows the Group's sensitivity to 10% change in USD and EURO. The 10% rate used constitutes a logical bar for the company as it is limited to the 10% capital commitment limit. Sensitivity analyzes regarding the exchange rate risk that the Company is exposed to at the reporting date are determined according to the change at the beginning of the financial year and are kept constant throughout the reporting period. Negative amount represents the decrease effect of 10% increase in value of USD and EUR against TL on profit before tax.

	30 June 2023		30 June 2022	
	Profit/Loss		Profit/Loss	
	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	(722,161)	722,161	(153,735)	153,735
2- Part of hedged from US risk (-)	316,333	(316,333)	37,635	(37,635)
3- US Dollar net effect (1 +2)	(405,828)	405,828	(116,100)	116,100
In case of %10 appreciation of EUR against TL				
4 - Euro net asset / liability	(763,542)	763,542	(875,430)	875,430
5 - Part of hedged from Euro risk (-)	433,572	(433,572)	401,282	(401,282)
6- Euro net effect (4+5)	(329,970)	329,970	(474,148)	474,148
Total (3 + 6)	(735,798)	735,798	(590,248)	590,248

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23. FINANCIAL INSTRUMENTS

Classes and fair values of financial instruments

The fair value of financial assets and liabilities is determined as follows:

- First level: Financial assets and liabilities are valued at stock prices traded in active markets for identical assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the directly or indirectly observable market price of the related asset or liability other than the market price specified at the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on market observable data used to determine the fair value of the asset or liability.

The level classifications of financial assets and liabilities shown at their fair values are as follows:

	30 June 2023	Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets at fair value through profit/loss				
- Held for trading	3,957	3,790	-	167
Financial assets at fair value through comprehensive income statement				
- Shares	3,700,845	-	-	3,700,845
- Derivative instruments	245,534	-	245,534	-
Total	3,950,336	3,790	245,534	3,701,012

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23. FINANCIAL INSTRUMENTS (cont’d)

	31 December 2022	Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets at fair value through profit/loss				
- Held for trading	210,497	2,877	207,453	167
Financial assets at fair value through comprehensive income statement				
- Shares	2,687,204	-	-	2,687,204
- Derivative instruments	745,842	-	745,842	-
Total	3,643,543	2,877	953,295	2,687,371
Financial liabilities				
Financial liabilities at fair value through profit/loss				
Other derivative instruments	(22,724)	-	(22,724)	-
Total	(22,724)	-	(22,724)	-

The carrying value of the fixed-rate Eurobonds (Note 5) issued by the Company to be traded on Dublin Euronext, with a nominal value of USD 650,000,000, is TL 1,591,576 thousand below their fair value based on the quoted prices in active markets (Level 1).

24. EVENTS AFTER THE REPORTING PERIOD

The Company has applied to the Capital Markets Board on April 25, 2023, for the merger of domestic subsidiaries operating in the same sector, Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. and Ülker Çikolata Sanayi A.Ş., along with all of their assets and liabilities, into a single entity under the Company and the relevant application was approved on 20 July 2023.

On July 11, 2023, a repurchase offer was made for USD 50,000,000 of the outstanding debt instruments with a nominal value of USD 650,000,000 with a maturity date of 2025, provided that the repurchase offer was made before maturity, and completed on July 19, 2023 for USD 50,069,000.

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

Pursuant to the “Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375” published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period. The Company/Group continues to evaluate the possible effects of the relevant Law as of the date of issuance of the financial statements.