

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

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FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2021**

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 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF
 30 JUNE 2021 AND 31 DECEMBER 2020
 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

ASSETS	Notes	Condensed Reviewed Current Period 30 June 2021	Audited Previous Period 31 December 2020
Current Assets		15.405.235	13.262.885
Cash and Cash Equivalents	4	2.762.136	3.824.320
Financial Investments	5	6.005.890	3.639.474
Trade Receivables			
- Due From Related Parties	7-23	2.187.520	2.031.627
- Other Trade Receivables	7	1.097.400	848.060
Other Receivables			
- Due From Related Parties	8-23	2.099.939	1.706.078
- Other Receivables	8	37.593	49.818
Inventories	10	961.339	871.480
Prepaid Expenses			
- Due To Related Parties	23	60.053	134.308
- Other Prepaid Expenses		92.471	63.373
Current Income Tax Assets		1.693	8.356
Other Current Assets		99.201	85.991
Non-Current Assets		4.890.296	4.629.619
Financial Investments	5	978.106	978.106
Other Receivables			
- Other Receivables	8	-	369
Investment Properties	11	-	26.145
Tangible Assets	12	2.791.451	2.687.913
Intangible Assets			
- Goodwill	13	598.840	496.196
- Other Intangible Assets	14	429.141	363.208
Prepaid Expenses		58.341	48.439
Deferred Tax Asset	21	34.417	29.243
TOTAL ASSETS		20.295.531	17.892.504

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

		Condensed Reviewed Current Period 30 June 2021	Audited Previous Period 31 December 2020
LIABILITIES	Notes		
Current Liabilities		2.897.939	2.453.876
Short Term Financial Liabilities	6	1.319	11.408
Short Term Portion of Long-Term Financial Liabilities	6	892.761	768.723
Trade Payables			
- Due To Related Parties	7-23	591.410	374.544
- Other Trade Payables	7	825.489	827.715
Employee Benefit Related Liabilities		66.386	49.874
Other Payables			
- Due to Related Parties	8-23	-	133
- Other Payables	8	7.804	3.619
Derivative Instruments	9	1.353	1.892
Deferred Revenue		26.251	40.556
Current Income Tax Liabilities	21	154.150	84.647
Short Term Provisions			
- Short Term Provisions for Employee Benefits		73.201	78.290
- Other Short-Term Provisions		211.236	165.658
Other Current Liabilities		46.579	46.817
Non-Current Liabilities		10.294.116	8.965.067
Long Term Financial Liabilities	6	9.910.917	8.607.951
Long Term Provisions			
- Long Term Provisions for Employee Benefits		243.918	211.021
Deferred Tax Liabilities	21	139.281	146.095
SHAREHOLDERS' EQUITY		7.103.476	6.473.561
Equity Attributable To Equity Holders' of the Parent		6.232.316	5.693.648
Share Capital		342.000	342.000
Inflation Adjustments to Share Capital		108.056	108.056
Effect of Business Combinations Under Common Control		(485.419)	(485.419)
Other Comprehensive Income/Expense not to be			
Reclassified to Profit or Loss			
- Increases on Revaluation of Plant, Property and Equipment		806.793	812.025
- Actuarial Losses on Post-Employment Termination Benefit Obligation		(37.876)	(35.463)
- Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income		459.069	459.069
Other Comprehensive Income/Expense to be			
Reclassified to Profit or Loss			
- Currency Translation Differences		153.723	22.444
- Cash Flow Hedges		(876)	(1.400)
Restricted Reserves		157.537	131.587
Retained Earnings		4.043.431	3.324.334
Net Profit for the Period		685.878	1.016.415
Non-Controlling Interests		871.160	779.913
TOTAL LIABILITIES AND EQUITY		20.295.531	17.892.504

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 30 JUNE 2021 AND 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Condensed Reviewed Current Period 1 January - 30 June 2021	Condensed Unaudited Current Period 1 April - 30 June 2021	Condensed Reviewed Previous Period 1 January - 30 June 2020	Condensed Unaudited Previous Period 1 April - 30 June 2020
Revenue	16	5.232.094	2.542.416	4.520.767	2.144.641
Cost of Sales	16	(3.840.794)	(1.924.697)	(3.217.351)	(1.557.506)
GROSS PROFIT		1.391.300	617.719	1.303.416	587.135
General Administrative Expenses	17	(157.568)	(80.799)	(127.624)	(63.808)
Marketing, Sales and Distribution Expenses	17	(507.165)	(227.249)	(459.455)	(183.824)
Research and Development Expenses	17	(18.610)	(9.745)	(11.176)	(5.494)
Other Operating Income		146.453	44.229	97.242	42.459
Other Operating Expenses		(91.388)	(46.506)	(61.805)	(33.077)
OPERATING PROFIT		763.022	297.649	740.598	343.391
Income from Investment Activities	18	2.230.976	782.121	1.044.715	319.477
Expenses from Investment Activities	18	(235)	(26)	(243.204)	429.124
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		2.993.763	1.079.744	1.542.109	1.091.992
Financial Income	19	2.444	733	189.838	182.141
Financial Expenses	20	(1.954.353)	(703.441)	(1.120.446)	(592.053)
PROFIT BEFORE TAX		1.041.854	377.036	611.501	682.080
Tax Expense		(268.134)	(144.440)	(116.170)	(142.606)
Corporate Tax Expense	21	(280.603)	(147.481)	(201.400)	(134.062)
Deferred Tax Income/(Expenses)	21	12.469	3.041	85.230	(8.544)
PROFIT FOR THE PERIOD		773.720	232.596	495.331	539.474
Distribution of the Profit for the Period					
Non-Controlling Interest		87.842	26.012	89.180	35.031
Equity Holders of the Parent		685.878	206.584	406.151	504.443
Earnings Per Share	22	2,01	0,60	1,19	1,47

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED

30 JUNE 2021 AND 2020

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

	Condensed Reviewed Current Period 1 January - 30 June 2021	Condensed Unaudited Current Period 1 April- 30 June 2021	Condensed Reviewed Previous Period 1 January - 30 June 2020	Condensed Unaudited Previous Period 1 April - 30 June 2020
PROFIT FOR THE PERIOD	773.720	232.596	495.331	539.474
Other Comprehensive Income				
Not to be Reclassified To Profit or Loss	(2.682)	(138)	148.649	152.165
Actuarial (Loss)/Gain on Post-Employment Termination Benefit Obligation	(3.353)	(173)	(2.974)	1.421
Gains from Financial Assets Measured at Fair Value Through Other comprehensive income	-	-	162.016	162.016
Deferred Tax for the Items That Will not be Reclassified in Profit or Loss				
Actuarial Loss on Post-Employment Termination Loss Obligation, Tax Effect	671	35	595	(284)
Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income, Tax Effect	-	-	(10.988)	(10.988)
Items to be Reclassified to Profit or Loss	208.169	54.929	50.570	7.029
Currency Translation Differences	207.646	54.718	55.074	13.983
Cash Flow Hedges	581	191	(5.774)	(8.915)
Deferred Tax For The Items That Will be Reclassified to Profit or Loss				
Cash Flow Hedges, Tax Effect	(58)	20	1.270	1.961
OTHER COMPREHENSIVE INCOME	205.487	54.791	199.219	159.194
TOTAL COMPREHENSIVE INCOME	979.207	287.387	694.550	698.668
Distribution of total comprehensive income				
Non-Controlling Interests	163.939	45.091	134.888	48.628
Equity Holders of the Parent	815.268	242.296	559.662	650.040

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED 30 JUNE 2021 AND 2020

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

	Accumulated Other Comprehensive Income To Be Reclassified Under Profit And Loss		Accumulated Other Comprehensive Income Not To Be Reclassified To Profit And Loss					Accumulated Profit							
	Share Capital	Inflation Adjustments to Share Capital	Effect of Business Combinations Under Common Control	Currency Translation Adjustments	Cash Flow Hedges	Revaluation of Plant, Property and Equipment	Actuarial Losses on Post-Employment Termination Benefit Obligation	Gains from Financial Assets Measured Fair Value Through Other Comprehensive Income	Other Gains	Restricted Reserves	Net Profit for the Period	Retained Earnings	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interest	Total
As of 1 January 2020	342.000	108.056	(485.419)	(57.006)	3.695	647.779	(26.435)	422.738	817.879	131.587	996.503	1.509.952	4.411.329	522.903	4.934.232
Transfers	-	-	-	-	-	-	-	-	-	-	(996.503)	996.503	-	-	-
Total comprehensive income	-	-	-	9.303	(4.504)	-	(2.316)	151.028	-	-	406.151	-	559.662	134.888	694.550
As of 30 June 2020	342.000	108.056	(485.419)	(47.703)	(809)	647.779	(28.751)	573.766	817.879	131.587	406.151	2.506.455	4.970.991	657.791	5.628.782
As of 1 January 2021	342.000	108.056	(485.419)	22.444	(1.400)	812.025	(35.463)	459.069	-	131.587	1.016.415	3.324.334	5.693.648	779.913	6.473.561
Transfers	-	-	-	-	-	(5.232)	-	-	-	25.950	(1.016.415)	995.697	-	-	-
Total comprehensive income	-	-	-	131.279	524	-	(2.413)	-	-	-	685.878	-	815.268	163.939	979.207
Dividend Paid (*)	-	-	-	-	-	-	-	-	-	-	-	(276.600)	(276.600)	(72.692)	(349.292)
As of 30 June 2021	342.000	108.056	(485.419)	153.723	(876)	806.793	(37.876)	459.069	-	157.537	685.878	4.043.431	6.232.316	871.160	7.103.476

(*) At the Ordinary General Assembly Meeting for the year 2020 held on April 6, 2021; it was decided that a gross amount of TL 276,600,000 from the profit for the period would be distributed and paid in cash, and the dividend had been distributed beginning from May 25, 2021. Food Manufacturers Company, one of the Group's subsidiaries, decided to pay a dividend of TL 146,722,501 at the Board Meeting dated January 5, 2021. TL 66.025.125 portion of the related amount was accounted under non-controlling interests.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 30 JUNE 2021
AND 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Condensed Reviewed Current Period 1 January – 30 June 2021	Condensed Reviewed Previous Period 1 January – 30 June 2020
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		773.720	495.331
Adjustments to Reconcile Net Profit			
Adjustment for Depreciation and Amortization Expenses			
Depreciation expenses of tangible assets	12	99.751	88.657
Amortization expenses of intangible assets	14	1.432	1.128
Adjustment For Impairment Loss (Reversal)			
Provision for doubtful receivables	7	(614)	490
Adjustment for Impairment Loss (Reversal) of Other Financial Investments			
Value increase in financial investments	18	(263.689)	-
Value decrease in financial investments	18	-	137.078
Adjustment for impairment loss of inventories	10	1.393	5.567
Adjustment for Provisions			
Adjustments for Provisions Related with Employee Benefits			
Provision for employment benefits		48.549	25.718
Provision for unused vacation		15.340	13.910
Provision for premium		26.216	21.450
Adjustments for Provisions (Cancelled) Lawsuits		1.540	129
Adjustments for Other Provisions			
Change in other provisions (net)		106.874	109.320
Adjustments for Dividend Income	18	(45)	(64)
Adjustments for Interest Income and Expense			
Rediscount interest income		(68)	-
Interest income	18	(167.486)	(61.565)
Adjustments for Interest Expense			
Rediscount interest expense		-	190
Interest expense	20	346.855	185.961
Adjustments for Tax Expenses	21	268.134	116.170
Adjustments for Losses/(Gains) on Disposals of Non-Current Assets			
Adjustments for gains arised from sale of tangible assets	18	(1.372)	(1.137)
Adjustments for Investing and Financing Cash Flow			
Change in foreign currency of financial liabilities (net)	19-20	1.591.606	726.636
Change in foreign currency from investing activities (net)	18	(1.791.602)	(869.848)
Commission expenses and financial service income (net)	19-20	13.448	18.011
Other Adjustments to Reconcile Profit/(Loss)			
Rent income	18	(6.547)	(5.975)
Net operating cash flows provided before changes in working capital		1.063.408	1.007.157

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 30 JUNE 2021
AND 2020

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

		Condensed Reviewed Current Period 1 January - 30 June 2021	Condensed Reviewed Previous Period 1 January - 30 June 2020
	Notes		
Changes in Working Capital			
(Increase)/decrease in trade receivables		(177.419)	28.051
Increase in trade receivables from related parties		(155.893)	(189.951)
Increase in inventories		(27.444)	(189.483)
Decrease/(Increase) in other receivables and other current assets		56.292	(35.315)
Decrease in trade payables		(82.197)	(104.190)
Increase/(Decrease) in trade payables to related parties		216.866	(208.736)
Decrease in other payables and liabilities		(102.736)	(10.281)
Net cash generated from operations		790.877	297.252
Payments Related With Provisions For Employee Benefits			
Employment termination benefit paid		(31.516)	(9.746)
Unused vacation paid		(8.628)	(10.643)
Performance premium paid		(44.622)	(37.667)
Lawsuits Provision Paid		(67)	(196)
Taxes Paid		(204.437)	(122.077)
Collections From Doubtful Trade Receivables	7	1.139	143
Net cash generated from operating activities		502.746	117.066
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of tangible and intangible assets		3.454	2.637
Proceeds from sales of investment properties		26.145	-
Cash outflows from purchase of tangible assets		(84.363)	(49.924)
Cash outflows from purchase of intangible assets	14	(116)	(2.099)
Changes in non-trade receivables from related parties		(93.627)	(129)
Dividends received		45	64
Interest received		167.486	61.565
Other advances given and payables		(9.902)	(3.760)
Rent income		6.547	5.975
Cash outflows from purchase of other businesses or share of funds or debt instruments		(1.199.589)	(105.796)
Net cash used in investing activities		(1.183.920)	(91.467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflow from borrowings		2.279	3.123.611
Repayments of borrowings		(174.017)	(2.733.053)
Cash inflow from derivate instruments		-	500.271
Dividend paid		(349.292)	-
Commission paid		(13.448)	(18.011)
Interest paid		(341.606)	(175.205)
Change in non-trade payables to related parties		(133)	1.410
Net cash (used in)/generated from financing activities		(876.217)	699.023
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1.557.391)	724.622
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		495.207	203.779
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	3.824.320	2.027.599
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2.762.136	2.956.000

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED
30 JUNE 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 fourteen subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2020: Fourteen).

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

Ülker Bisküvi Sanayi A.Ş. which is registered at the Capital Market Board, merged under its own title with Anadolu Gıda Sanayi A.Ş., whose shares have been quoted on Borsa 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 June 2021, the total number of people employed by the Group is 8.608, which contains 1.307 employees who worked as subcontractors (31 December 2020: 9.035, subcontractor: 1.393).

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 2021 and 31 December 2020, the names and percentages of the shareholders holding more than 5% of the Company’s share capital are as follows:

Name of shareholders	Share	30 June 2021	Share	31 December 2020
		Percentage		Percentage
pladis Foods Limited	174.420	%51,00	174.420	%51,00
Ülker Family Members and Yıldız Holding A.Ş.	25.580	%7,48	25.580	%7,48
Other	142.000	%41,52	142.000	%41,52
	342.000	%100,00	342.000	%100,00

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED
30 JUNE 2021

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

As of 30 June 2021 and 31 December 2020, the details of the subsidiaries under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	30 June 2021		31 December 2020		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

Approval of Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 12 August 2021. The General Assembly has the authority to amend the consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the Presentation:

Principles for Preparation of Financial Statements and Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations. In addition, it has been presented in accordance with the TAS taxonomy published by the POA with the decision number 30 on June 2, 2016 and subsequently announced to the public on 15 April 2019, together with the changes in TFRS-15 Revenue from Contracts with Customers and TFRS-16 Leases standards.

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

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

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

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

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group preferred to present its interim condensed consolidated financial statements. The Group’s interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2020 year-end financial statements.

Functional and Presentation Currency

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and Revised International Financial Reporting Standards

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

Standards, amendments and interpretations applicable as at 30 June 2021:

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

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

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

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

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

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

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and Revised International Financial Reporting Standards (Continued)

Annual Improvements – 2018–2020 Cycle

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

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

TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.

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

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

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Amendments to IAS 8 - Definition of Accounting Estimates

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

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

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

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2.2 New and Revised International Financial Reporting Standards (Continued)

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

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

2.3 Significant Changes Regarding Current Period

The necessary actions were taken by the Group management to minimize the possible effects of COVID-19, which affects the whole world, on the operations and financial position of the Group. Meanwhile, actions were taken by the Group to minimize the increase in investment expenditures, operational expenses and inventories, and the cash management strategy is reviewed to strengthen the liquidity position. No significant impact has been observed on the financial position or the performance of the Group due to the Covid 19 Pandemic.

While the Group preparing the consolidated financial statements dated 30 June 2021, the Group evaluated the possible effects of the COVID-19 pandemic on the consolidated financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, possible impairments in the financial assets, inventories, tangible assets, goodwill and brands in the consolidated financial statements of 31 December 2020 is analysed and the necessary changes is reflected in the consolidated financial statements.

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3. SEGMENTAL INFORMATION

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

The Group follows its operations with domestic (local operations of Turkish companies in Turkey) and international basis in accordance with TFRS 8. The information for 1 January – 30 June 2021 and 1 January – 30 June 2020.

	Domestic	Foreign	1 January - 30 June 2021
Revenue	3.169.435	2.062.659	5.232.094
Gross Profit	649.950	741.350	1.391.300
Operating Profit (*)	368.256	339.701	707.957
EBITDA (**)	412.894	396.246	809.140
EBITDA/Revenue	13,0%	19,2%	15,5%
Investment Expenses	57.929	17.959	75.888

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

(*) Operating profit before other income/expense.

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

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4. CASH AND CASH EQUIVALENTS

	30 June 2021	31 December 2020
Cash on hand	816	438
Demand deposits	796.927	666.006
Time deposits	1.982.433	3.174.606
Impairment provision	(18.040)	(16.730)
	2.762.136	3.824.320

Details of time deposits are shown below:

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	30 June 2021
TL	18,62%	July 2021	205.372
EUR	1,45%	July 2021	571.081
USD	1,84%	July 2021	1.083.200
EGP	8,00%	July 2021	111.324
KZT	10,00%	July 2021	11.456
			1.982.433

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	31 December 2020
TL	17,47%	January 2021	401.754
EUR	2,25%	January 2021	567.376
USD	1,07%	January 2021	2.127.856
EGP	8,64%	January 2021	53.377
KZT	10,00%	January 2021	24.243
			3.174.606

5. FINANCIAL INVESTMENTS

Short Term Financial Investments:	30 June 2021	31 December 2020
Financial Assets Measured at Fair Value through Profit or Loss (*)	6.005.890	3.639.474
	6.005.890	3.639.474

Long Term Financial Investments:	30 June 2021	31 December 2020
Financial Assets Measured at Fair Value through Other Comprehensive Income	978.106	978.106
	978.106	978.106

Long Term Financial Assets Measured at Fair Value through Other Comprehensive Income	30 June 2021	31 December 2020
G New, Inc	273.122	273.122
Godiva Belgium BVBA	704.784	704.784
Other	200	200
	978.106	978.106

(*) TL 5.598.098 thousands of short-term financial investments consist of liquid mutual funds with a maturity of less than 3 months (31 December 2020: TL 3.585.984 thousands).

(**) Equity investments that the Group does not have a significant influence are classified as financial assets measured at fair value through other comprehensive income as at 30 June 2021 amounting to TL 459.069 thousand have been presented under shareholder's equity.

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6. FINANCIAL LIABILITIES

	30 June 2021	31 December 2020
Short term liabilities	1.319	11.408
Short term portion of long-term liabilities	892.761	768.723
Long term liabilities	9.910.917	8.607.951
	10.804.997	9.388.082

<u>Short Term Liabilities</u>	30 June 2021	31 December 2020
Bank loans	1.319	11.408
	1.319	11.408

<u>Short Term Portion of Long-Term Liabilities</u>	30 June 2021	31 December 2020
Bank loans	494.091	431.144
Issued debt instruments (*)	377.089	318.467
Financial lease liabilities	21.581	19.112
	892.761	768.723

<u>Long Term Liabilities</u>	30 June 2021	31 December 2020
Bank loans	4.582.720	4.097.309
Issued debt instruments (*)	5.308.538	4.479.923
Financial lease liabilities	19.659	30.719
	9.910.917	8.607.951

The group has used a syndication loan in 20 April 2020. Details of Group's syndication loans are as follows: Syndication loan consists of two credit tranches which are USD 110.000.000 and EUR 243.938.528. 7 international banks joined to the syndication. Effective interest rate for both credit tranches are Euribor + 2.95% for EUR, Libor + 3.10% for USD and the maturity date is 20 April 2023. In addition to the syndicated loan, the Group has received a EUR 75.000.000 EBRD loan dated 20 April 2020. The interest rate of the related EBRD loan is Euribor + 2.95% and the maturity date is 20 April 2023. The principal repayments of loan tranches must pay interest every six months, at the end of maturity. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

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

The covenants which belong to syndicated loan are as follows:

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

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

In the current period ended June 30, 2021; the consolidated financial statements of the Group comply with the covenants of the syndication loan agreement.

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6. FINANCIAL LIABILITIES (Continued)

Liabilities:

30 June 2021

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long term</u>
TL	July 2021-April 2023	27,30%	21.580	19.659
EUR	October 2021-May 2023	2,96%	362.571	3.408.403
USD	October 2021-October 2025	6,43%	408.882	6.228.807
EGP	July 2021-September 2023	8,00%	1.319	9.231
KZT	July 2021-January 2026	11,92%	99.728	244.817
			894.080	9.910.917

31 December 2020

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	January 2021-April 2023	27,30%	19.112	30.729
EUR	April 2021-May 2023	2,97%	317.963	3.078.869
USD	April 2021-October 2025	6,40%	345.280	5.254.470
EGP	January 2021-September 2023	8,00%	11.408	7.827
KZT	January 2021-January 2026	11,59%	86.368	236.056
			780.131	8.607.951

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

	<u>30 June 2021</u>	<u>31 December 2020</u>
to be paid within 1 year	872.499	761.019
to be paid within 1-2 years	4.781.091	703.486
to be paid within 2-3 years	397.232	3.866.831
to be paid within 3-4 years	362.665	309.008
to be paid within 4-5 years	4.350.270	3.688.853
Above 5 years	-	9.054
	10.763.757	9.338.251

**Short Term Portion of Long Term Financial Lease
Liabilities**

	<u>30 June 2021</u>	<u>31 December 2020</u>
Financial lease liabilities	30.137	30.285
Future finance charges on leasing (-)	(8.556)	(11.173)
	21.581	19.112

Long Term Financial Lease Liabilities

	<u>30 June 2021</u>	<u>31 December 2020</u>
Financial lease liabilities	21.972	36.613
Future finance charges on leasing (-)	(2.313)	(5.894)
	19.659	30.719

The maturity detail of the financial lease liabilities is as follows

	<u>30 June 2021</u>	<u>31 December 2020</u>
to be paid within 1 year	21.581	19.112
to be paid within 1-2 years	19.659	26.567
to be paid within 2-3 years	-	4.152
	41.240	49.831

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7. TRADE RECEIVABLES AND PAYABLES

	30 June 2021	31 December 2020
Short Term Due from Related Parties		
Due from related parties (Note 23)	2.187.520	2.031.627
	2.187.520	2.031.627
Other Trade Receivables		
Trade receivables	1.110.444	860.041
Notes receivables	58	230
Provision for doubtful receivables	(13.102)	(12.211)
	1.097.400	848.060
Total Short-Term Trade Receivables	3.284.920	2.879.687

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

	2021	2020
Opening balance	(12.211)	(10.773)
Current period charge	(858)	(821)
Cancelled provision	1.472	331
Currency translation differences	(2.644)	(976)
Collection	1.139	143
Ending Balance	(13.102)	(12.096)

	30 June 2021	31 December 2020
Short Term Trade Payables		
Due to related parties (Note 23)	591.410	374.544
Trade payables	825.489	827.715
	1.416.899	1.202.259

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8. OTHER RECEIVABLES AND PAYABLES

	30 June 2021	31 December 2020
Other Receivables		
Due from related parties (Note 23)	2.099.939	1.706.078
Short term other receivables	37.593	49.818
	2.137.532	1.755.896
	30 June 2021	31 December 2020
Other Short-Term Receivables		
VAT receivables	7.705	22.633
Deposits and guarantees given	23.421	22.945
Receivables from personnel	1.468	1.298
Other	4.999	2.942
	37.593	49.818
	30 June 2021	31 December 2020
Other Long-Term Receivables		
Deposits and guarantees given	-	369
	-	369
	30 June 2021	31 December 2020
Other Payables		
Due to related parties (Note 23)	-	133
Other short-term payables	7.804	3.619
	7.804	3.752
	30 June 2021	31 December 2020
Other Short-Term Payables		
Deposits and guarantees received	172	122
Other short-term payables	7.632	3.497
	7.804	3.619

9. DERIVATIVE INSTRUMENTS

In April 20, 2020, the group carried out Fixed Interest Rate Swaps consisting of a total of us \$ 33,000,000 in order to protect against interest rate risk in parallel with the payment plan of a US \$ 110,000,000 tranche of a 3-year term and variable interest syndicated loan that it used.

June 30, 2021 and December 31, 2020 derivatives are as follows:

	30 June 2021		31 December 2020	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Derivative instruments held for hedge				
Fixed Interest Rate Swap	286.450	(1.353)	242.237	(1.892)
TOTAL LIABILITIES	286.450	(1.353)	242.237	(1.892)

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10. INVENTORIES

Details of inventory are as follows;

	30 June 2021	31 December 2020
Raw materials	444.972	373.399
Work in progress	34.145	19.440
Finished goods	384.190	406.972
Trade goods	51.057	35.578
Other inventories	76.565	65.900
Allowance for impairment on inventory (-)	(29.590)	(29.809)
	961.339	871.480

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 June 2021 and 2020 are below;

	1 January - 30 June 2021	1 January - 30 June 2020
Opening balance	(29.809)	(18.030)
Charge for the period	(1.393)	(5.567)
Reversal of provision	4.371	1.170
Currency translation differences	(2.759)	(930)
Closing balance	(29.590)	(23.357)

11. INVESTMENT PROPERTIES

	1 January - 30 June 2021	1 January - 30 June 2020
Opening balance	26.145	21.155
Disposal	(26.145)	-
Closing balance	-	21.155

The rent income earned by the Group from its investment properties amounts to TL 246 thousand (30 June 2020: TL 720 thousand) as of 30 June 2020. Direct operating expenses arising from the investment properties in the current period amounts to TL 20 thousand (30 June 2020: TL 69 thousand).

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12. TANGIBLE ASSETS

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

Cost	1 January 2021	Additions	Disposal	Transfer	Currency Translation Differences	30 June 2021
Land	799.250	-	-	-	6.423	805.673
Buildings	1.190.901	107	(2.229)	4.842	50.527	1.244.148
Machinery, plant and equipment	2.515.683	10.193	(4.400)	10.100	180.493	2.712.069
Vehicles	12.776	14	-	-	1.424	14.214
Furniture and fixture	137.135	1.701	(696)	4.722	11.716	154.578
Leasehold improvements	42.609	191	(5)	-	40	42.835
Construction in progress	63.973	63.566	(73)	(19.664)	7.886	115.688
	4.762.327	75.772	(7.403)	-	258.509	5.089.205
Accumulated Depreciation		Charge for the period	Disposal	Transfer	Currency Translation Differences	30 June 2021
Buildings	(619.702)	(13.488)	1.728	-	(22.594)	(654.056)
Machinery, plant and equipment	(1.322.806)	(77.587)	3.435	-	(97.481)	(1.494.439)
Vehicles	(9.859)	(606)	-	-	(1.215)	(11.680)
Furniture and fixture	(95.238)	(6.218)	153	-	(7.596)	(108.899)
Leasehold improvements	(26.809)	(1.852)	5	-	(24)	(28.680)
	(2.074.414)	(99.751)	5.321	-	(128.910)	(2.297.754)
Net Book Value	2.687.913					2.791.451

From depreciation and amortization expenses, TL 93.877 thousand (30 June 2020: TL 84.563 thousand) is included in cost of goods sold, TL 231 thousand (30 June 2020: TL 178 thousand) is included in research and development expenses, TL 2.140 thousand (30 June 2020: TL 2.162 thousand) is included in marketing and selling expenses, TL 4.935 thousand (30 June 2020: TL 2.882 thousand) is included in general and administrative expenses. In the six-month period ending as of 30 June 2021, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets.

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12. TANGIBLE ASSETS (Continued)

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

Costs	1 January 2020	Additions	Disposal	Transfer	Currency Translation Differences	30 June 2020
Land	720.030	-	-	-	3.701	723.731
Buildings	820.437	6.688	-	1.027	29.872	858.024
Machinery, plant and equipment	2.197.143	11.415	(3.135)	26.017	108.918	2.340.358
Vehicles	12.656	-	(25)	-	1.042	13.673
Furniture and fixture	112.036	3.073	(460)	3.384	6.203	124.236
Leasehold improvements	41.518	79	(11)	(12)	41	41.615
Other tangible assets	975	-	-	-	148	1.123
Construction in progress	63.648	23.372	(824)	(30.416)	2.794	58.574
	3.968.443	44.627	(4.455)	-	152.719	4.161.334
Accumulated Depreciation	1 January 2020	Charge for period	Disposal	Transfer	Currency Translation Differences	30 June 2020
Buildings	(377.766)	(11.846)	-	-	(12.530)	(402.142)
Machinery, plant and equipment	(1.095.425)	(69.532)	2.490	-	(54.589)	(1.217.056)
Vehicles	(9.143)	(710)	25	-	(906)	(10.734)
Furniture and fixture	(78.955)	(4.559)	437	-	(4.591)	(87.668)
Leasehold improvements	(22.893)	(1.947)	3	-	(17)	(24.854)
Other tangible assets	(1.084)	(63)	-	-	362	(785)
	(1.585.266)	(88.657)	2.955	-	(72.271)	(1.743.239)
Net Book Value	2.383.177					2.418.095

In the six-month period ending as of 30 June 2020, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets.

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12. TANGIBLE ASSETS (Continued)

The estimated useful lives of tangible assets are as follow:

	Useful Life
Buildings	25 – 50 yıl
Machinery, plant and equipment	4 – 20 yıl
Vehicles	4 – 10 yıl
Other tangible assets	4 – 10 yıl
Furniture and fixtures	3 – 10 yıl
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. If there is significant change at the fair value, revaluation is performed. If not, properties are only subject to periodical revaluation. The Group has assessed that there is no significant change in the fair value of land and buildings in the current period.

13. GOODWILL

	30 June 2021	30 June 2020
Opening balance	496.196	388.047
Currency translation difference	102.644	32.520
Closing balance	598.840	420.567

Goodwill details are as follows:

Company	30 June 2021	31 December 2020
UI Mena B.V.	576.038	477.303
IBC	22.802	18.893
	598.840	496.196

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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14. INTANGIBLE ASSETS

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

Costs	1 January 2021	Addition	Currency Translation Differences	30 June 2021
Rights (*)	373.596	10	69.022	442.628
Other intangible assets	8.693	106	965	9.764
	382.289	116	69.987	452.392

Accumulated Amortization	1 January 2021	Charge for the period	Currency Translation Differences	30 June 2021
Rights	(14.417)	(374)	(2.265)	(17.056)
Other intangible assets	(4.664)	(1.058)	(473)	(6.195)
	(19.081)	(1.432)	(2.738)	(23.251)

Net Book Value	363.208			429.141
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Movements of intangible assets between 1 January 2020 – 30 June 2020 are as follows:

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

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

Net Book Value	292.188			333.876
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(*) As of 30 June 2021 Rights contain reacquired rights related with Saudi distribution agreements of Groups products in Saudi Arabia amounting to TL 345,371 thousand (30 June 2020: TL 272.238 thousand), the remaining amount of TL 72.005 thousand (30 June 2020: TL 50.569 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.

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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 June 2021			31 December 2020		
	TL	USD	EUR	TL	USD	EUR
A) CPM's given in the name of own legal personality	210.535	25.354	-	209.221	25.354	-
B) CPM's given on behalf of the fully consolidated companies	-	-	81.000	-	-	81.000
C) CPM's given on behalf of third parties for ordinary course of business (**)	-	-	98.100	-	-	97.950
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	210.535	25.354	179.100	209.221	25.354	178.950

(*) Non-cash risk amounting to TL 64.2 million and USD 5.8 million.

(**) Includes the warranty given for the group's raw material supplier in relation to the raw material purchases to be made on behalf of the group.

(***) The ratio of other collaterals, pledges and mortgages given by the group to the group's parent company's equity is zero as of 30 June 2021 (31 December 2020: 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 146,3 million and USD 19,5 million and non-cash bank guarantees amounting to TL 45,7 million and USD 6,1 million, were transferred to the level of Yıldız Holding A.Ş. with syndication as of 8 June 2018. The 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 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Domestic sales (*)	5.747.680	2.717.842	4.983.984	2.284.289
Export sales	1.057.396	556.914	880.002	482.561
Sales returns and discounts (-)	(1.572.982)	(732.340)	(1.343.219)	(622.209)
Sales Income (net)	5.232.094	2.542.416	4.520.767	2.144.641
Cost of goods sold	(3.777.018)	(1.876.267)	(3.099.930)	(1.464.401)
Cost of trade goods sold	(63.776)	(48.430)	(117.421)	(93.105)
Cost of sales	(3.840.794)	(1.924.697)	(3.217.351)	(1.557.506)
Gross Profit	1.391.300	617.719	1.303.416	587.135

(*) 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 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
General Administrative Expenses				
Personnel expenses	(69.081)	(34.367)	(58.547)	(30.616)
Operating expenses	(51.023)	(22.910)	(48.932)	(26.136)
Consultancy expenses	(20.578)	(13.982)	(10.356)	(4.168)
Depreciation and amortization expenses	(4.935)	(3.282)	(2.882)	(1.484)
Other	(11.951)	(6.258)	(6.907)	(1.404)
	(157.568)	(80.799)	(127.624)	(63.808)
Marketing Expenses				
Marketing operating expenses	(382.220)	(160.528)	(353.226)	(133.485)
Personnel expenses	(90.021)	(47.172)	(75.024)	(40.591)
Rent expenses	(12.133)	(6.504)	(9.888)	(5.224)
Depreciation and amortization expenses	(2.140)	(874)	(2.162)	(1.182)
Other	(20.651)	(12.171)	(19.155)	(3.343)
	(507.165)	(227.249)	(459.455)	(183.824)
Research Expenses				
Personnel expenses	(9.870)	(4.562)	(7.143)	(3.585)
Materials used	(3.029)	(1.943)	(676)	(452)
Depreciation and amortization expenses	(231)	(119)	(178)	(87)
Other	(5.480)	(3.121)	(3.179)	(1.370)
	(18.610)	(9.745)	(11.176)	(5.494)

18. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

a) The detail of investment income is as follows:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Foreign exchange gains	1.791.814	526.149	975.794	286.173
Fair value gains of financial assets	263.689	160.353	-	-
Interest income	167.486	92.341	61.565	30.274
Rent income	6.547	3.213	5.975	2.966
Income on sales of tangible assets	1.395	65	1.317	-
Dividend income	45	-	64	64
	2.230.976	782.121	1.044.715	319.477

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18. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (Continued)

b) The detail of investment expenses is as follows:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Fair value (decrease)/increase of financial investments	-	-	(137.078)	431.608
Foreign exchange losses	(212)	(8)	(105.946)	(2.381)
Loss on sales of tangible assets	(23)	(18)	(180)	(103)
	(235)	(26)	(243.204)	429.124

19. FINANCIAL INCOME

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Foreign exchange gains	1.493	247	188.641	181.536
Other	951	486	1.197	605
	2.444	733	189.838	182.141

20. FINANCIAL EXPENSES

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Foreign exchange losses from financing	(1.593.099)	(518.265)	(915.277)	(487.020)
Interest expenses	(346.855)	(178.107)	(185.961)	(92.461)
Other	(14.399)	(7.069)	(19.208)	(12.572)
	(1.954.353)	(703.441)	(1.120.446)	(592.053)

21. TAX ASSET AND LIABILITIES

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

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

The corporate tax rate was increased from 20% to 22% for the years 2018, 2019 and 2020 within the scope of the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Official Gazette dated 5 December 2017. Within the scope of the law, calculation of deferred tax assets and liabilities in the financial statements as of 31 December 2018 with a tax rate of 22% for the part of the temporary differences that would have tax effects in 2018, 2019 and 2020, and with a tax rate of 23% in 2022 and 20% in following years, for the part of the temporary differences that would have a tax effect in 2021 and the following periods, were evaluated according to the level of significance. At the same time, the exemption to be applied over the capital gains obtained by corporate taxpayers from the sale of their real estates that they have held for at least two years was reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017.

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21. TAX ASSET AND LIABILITIES (Continued)

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

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

Deferred tax bases:

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Indexation and useful life differences of tangible and intangible assets	-	-	1.364.958	1.338.310
Financial investments valuation differences	-	-	4.879	4.890
Investment properties valuation differences	-	-	-	22.164
Provisions for employee termination benefits	(172.424)	(151.400)	-	-
Previous year losses	(110.606)	(83.719)	-	-
Provision of doubtful receivables	(21.539)	(24.293)	-	-
Provision for unused vacation	(21.810)	(19.497)	-	-
Impairment on inventories	(15.392)	(15.927)	-	-
Profit elimination on inventories	(9.621)	(15.923)	-	-
Provision for lawsuits	(7.673)	(6.200)	-	-
Derivative instruments	(1.353)	(1.892)	-	-
Other	(55.357)	(18.225)	68.762	87.042
	(415.775)	(337.076)	1.438.599	1.452.406

Deferred tax calculated over the tax bases:

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Indexation and useful life differences of tangible and intangible assets	-	-	183.721	178.391
Financial investments valuation differences	-	-	244	245
Investment properties valuation differences	-	-	-	2.216
Provisions for employee termination benefits	(34.485)	(30.280)	-	-
Previous year losses	(22.439)	(16.744)	-	-
Investment incentives	(6.182)	(13.993)	-	-
Provision of doubtful receivables	(5.385)	(4.859)	-	-
Provision for unused vacation	(5.453)	(3.899)	-	-
Impairment on inventories	(3.848)	(3.185)	-	-
Profit elimination on inventories	(2.405)	(3.185)	-	-
Provision for lawsuits	(1.918)	(1.240)	-	-
Derivative instruments	(338)	(378)	-	-
Other	(13.838)	(3.645)	17.190	17.408
	(96.291)	(81.408)	201.155	198.260

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21. TAX ASSET AND LIABILITIES (Continued)

	1 January – 30 June 2021	1 January – 30 June 2020
Opening balance	116.852	162.195
Taxes netted from funds recognised under equity	(613)	9.123
Currency translation differences	1.094	(2.434)
Deferred tax income	(12.469)	(85.230)
	104.864	83.654

As of 30 June 2021, the Group calculated deferred tax assets of TL 110.606 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2020: TL 83.719 thousand). The maturities of these losses are as follows:

	30 June 2021	31 December 2020
2025	97.913	83.719
2026	12.693	-
Total	110.606	83.719

Corporate tax

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

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

The tax rate as of 30 June 2021 is 25% (2020: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 25% in 2021 (2020: 22%).

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

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

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

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21. TAX ASSET AND LIABILITIES (Continued)

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

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

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

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

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 2021 and 31 December 2020 is as follows::

	30 June 2021	31 December 2020
Total corporate tax provision	(280.603)	(349.929)
Prepaid taxes and funds	126.453	265.282
Taxation in the balance sheet	(154.150)	(84.647)
	1 January - 30 June 2021	1 January - 30 June 2020
Current period corporate tax expense	280.603	201.400
Deferred tax income	(12.469)	(85.230)
Tax expense in the income statement	268.134	116.170

22. EARNINGS PER SHARE

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

	1 January - 30 June 2021	1 January - 30 June 2020
Weighted average number of common stock outstanding	34.200.000	34.200.000
Net profit	685.878	406.151
Basic Earnings per Share	2,01	1,19

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The detail of receivables from related parties is as follows:

	30 June 2021	31 December 2020
Trade receivables	2.187.520	2.031.627
Non-trade receivables	2.099.939	1.706.078
	4.287.459	3.737.705

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

	30 June 2021		31 December 2020	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	-	2.099.388	-	1.706.078
Other Companies Controlled by the Principle Shareholder				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	1.121.241	-	1.019.436	-
Pasifik Tük. Ürün. Satış ve Ticaret A.Ş.	773.757	-	742.344	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	129.908	-	121.428	-
G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş.	82.023	-	77.350	-
United Biscuits (UK) Ltd.	3.285	-	4.576	-
Other	77.306	551	66.493	-
	2.187.520	2.099.939	2.031.627	1.706.078

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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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

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

	30 June 2021	31 December 2020
Önem Gıda San. ve Tic. A.Ş.	60.053	134.308
	60.053	134.308

The detail of payables to related parties is as follows:

	30 June 2021	31 December 2020
Trade payables	591.410	374.544
Non-trade payables	-	133
	591.410	374.677

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

	30 June 2021		31 December 2020	
	Trade	Non-Trade	Trade	Non-Trade
Principal Shareholder				
Yıldız Holding A.Ş.	194.135	-	113.241	-
Other Companies Controlled by the Principle Shareholder				
Önem Gıda San. ve Tic. A.Ş.	317.840	-	132.014	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	18.890	-	29.491	-
United Biscuits (UK) Ltd.	12.597	-	41.889	-
Adapazarı Şeker Fabrikası A.Ş.	6.449	-	26.853	-
Marsa Yağ San. ve Tic. A.Ş.	4.848	-	5.190	-
pladis Foods Limited	3.926	-	866	-
CCC Gıda San. ve Tic. A.Ş.	194	-	150	-
Other	32.531	-	24.850	133
	591.410	-	374.544	133

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

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

	1 January - 30 June 2021		1 April- 30 June 2021		1 January – 30 June 2020		1 April- 30 June 2020	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
<i>Other Companies Controlled by the Principle Shareholder</i>								
Önem Gıda San. ve Tic. A.Ş.	1.266.542	213	606.474	61	1.129.029	253	552.559	119
Besler Gıda ve Kimya San. ve Tic. A.Ş.	200.230	-	101.501	-	159.718	33	77.620	-
United Biscuits (UK) Ltd.	63.943	3.381	32.749	2.177	51.598	2.784	27.296	1.871
Marsa Yağ San. ve Tic. A.Ş.	46.972	-	24.889	-	42.777	-	22.346	-
Adapazarı Şeker Fabrikası A.Ş.	39.495	-	13.400	-	-	-	-	-
Pendik Nişasta San. A.Ş.	17.341	-	10.032	-	20.882	-	6.336	-
G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş.	478	98.591	299	49.017	-	-	-	-
CCC Gıda San. ve Tic. A.Ş.	249	3.723	124	892	30	908	16	899
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	1.686.356	-	804.383	4	1.558.285	-	738.946
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	1.182.415	-	598.468	-	952.025	-	442.027
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	154.965	-	75.881	-	132.595	-	53.692
Other	18.614	52.399	10.828	26.282	18.232	103.969	11.999	44.659
<i>Other Related Parties</i>								
İstanbul Gıda Dış Tic. A.Ş.	-	-	-	-	115.401	579.534	41.295	301.586
	1.653.864	3.182.043	800.296	1.557.161	1.537.671	3.330.386	739.467	1.583.799

The Group mainly acquires raw materials from Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş, which produces vegetable oil and margarine, Önem Gıda San. ve Tic. A.Ş and Pendik Nişasta San. A.Ş.. The major part of selling 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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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

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

For the six months period ended 30 June 2021:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(48)	(130.030)	357.087
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(64.942)	(249)
United Biscuits (UK) Ltd.	5	(13.813)	(1.015)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(12.783)	58.984
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	35	(9.155)	26.238
İzsal Gayrimenkul Geliştirme A.Ş.	(1.160)	(1.837)	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	(3)	(207)
CCC Gıda San. ve Tic. A.Ş.	3	2.429	763
Önem Gıda San. ve Tic. A.Ş.	913	3.365	6.118
Other	560	(10.980)	(5.850)
	308	(237.749)	441.869

For the three months between 1 April - 30 June 2021 periods:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(24)	(62.255)	108.225
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(34.319)	169
United Biscuits (UK) Ltd.	5	(11.153)	(462)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(6.615)	31.317
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	18	(4.698)	13.960
İzsal Gayrimenkul Geliştirme A.Ş.	(559)	(927)	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	(3)	(99)
CCC Gıda San. ve Tic. A.Ş.	1	1.926	354
Önem Gıda San. ve Tic. A.Ş.	204	3.173	3.111
Other	(1.757)	(4.045)	(2.811)
	(2.112)	(118.916)	153.764

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

For the six months period ended 30 June 2020:

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

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

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	2	(52.683)	7.002
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(35.632)	-
Önem Gıda San. ve Tic. A.Ş.	780	(4.455)	2.544
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	18	(3.542)	4.945
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(2.961)	12.627
United Biscuits (UK) Ltd.	-	(1.706)	120
İzsal Gayrimenkul Geliştirme A.Ş.	(392)	(692)	-
CCC Gıda San. ve Tic. A.Ş.	(212)	(123)	-
Other	357	(6.652)	(3.581)
Other Related Parties			
İstanbul Gıda Dış Ticaret A.Ş.	-	663	35.003
	553	(107.783)	58.670

Benefits provided to members of BOD and key management personnel:

	30 June 2021	30 June 2020
Fees and other short-term benefits	30.939	21.241
	30.939	21.241

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT

Foreign currency risk management

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

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

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

	30 June 2021				
	TL	USD	EUR	GBP	CHF
1. Trade Receivables	715.285	75.854	3.687	1.565	-
2a. Monetary Financial Assets	10.925.535	1.192.246	55.654	144	14
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	18.937	539	1.345	27	5
4. CURRENT ASSETS	11.659.757	1.268.639	60.686	1.736	19
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	11.659.757	1.268.639	60.686	1.736	19
10. Trade Payables	186.541	12.138	6.811	792	144
11. Financial Liabilities	771.453	47.105	35.116	-	-
12a. Other Monetary Financial Liabilities	1.494	27	122	-	-
12b. Other Non-monetary Financial Liabilities	364	36	5	-	-
13. CURRENT LIABILITIES	959.852	59.306	42.054	792	144
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	9.637.210	717.580	330.115	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	9.637.210	717.580	330.115	-	-
18. TOTAL LIABILITIES	10.597.062	776.886	372.169	792	144
19. Net Assets of Off Statement of Financial Position (19a-19b)	-	-	-	-	-
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	1.062.695	491.753	(311.483)	944	(125)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	1.044.122	491.250	(312.822)	917	(130)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	-	-	-	-	-

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

Foreign Currency Risk Management (Continued)

	31 December 2020				
	TL	USD	EUR	GBP	CHF
1. Trade Receivables	526.599	58.580	8.725	1.810	-
2a. Monetary Financial Assets	8.964.662	1.143.031	63.439	229	62
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	15.658	323	1.453	20	-
4. CURRENT ASSETS	9.506.919	1.201.934	73.617	2.059	62
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	9.506.919	1.201.934	73.617	2.059	62
10. Trade Payables	167.278	13.269	6.073	1.420	127
11. Financial Liabilities	663.243	47.038	35.298	-	-
12a. Other Monetary Financial Liabilities	1.987	121	122	-	-
12b. Other Non-monetary Financial Liabilities	3.737	395	93	-	-
13. CURRENT LIABILITIES	836.245	60.823	41.586	1.420	127
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	8.333.336	715.819	341.797	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	8.333.336	715.819	341.797	-	-
18. TOTAL LIABILITIES	9.169.581	776.642	383.383	1.420	127
19. Net Assets of Off Statement of Financial Position (19a-19b)	-	-	-	-	-
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	337.338	425.292	(309.766)	639	(65)
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	325.417	425.364	(311.126)	619	(65)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	453.415	46.403	12.522	-	-
	-	-	-	-	-

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

	1 January-30 June 2021	1 January - 30 June 2020
Total exports	1.057.396	880.002
Total imports	324.587	317.990

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

Foreign currency risk sensitivity (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 June 2021		30 June 2020	
	Income / Expense		Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of %10 appreciation of USD against TL				
1 - US Dollar net asset / liability	426.420	(426.420)	477.649	(477.649)
2- Part of hedged from US Dollar risk (-)				
3- US Dollar net effect (1 +2)	426.420	(426.420)	477.649	(477.649)
In case of %10 appreciation of EUR against TL				
4 -Euro net asset / liability	(322.986)	322.986	(461.592)	461.592
5 - Part of hedged from Euro risk (-)				
6- Euro net effect (4+5)	(322.986)	322.986	(461.592)	461.592
Total (3 + 6)	103.434	(103.434)	16.057	(16.057)

25. FINANCIAL INSTRUMENTS

Fair Value of Financial Assets

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

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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25. FINANCIAL INSTRUMENTS (Continued)

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

	30 June 2021	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 and loss				
- Available for sale	6.006.090	886	5.998.098	7.106
Financial assets at fair value through comprehensive income statement				
- Shares	977.906	-	-	977.906
Total	6.983.996	886	5.998.098	985.012
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
- Derivative instruments	1.353	-	1.353	-
Total	1.353	-	1.353	-
	31 December 2020	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 and loss				
- Available for sale	3.639.674	49.044	3.585.948	4.682
Financial assets at fair value through comprehensive income statement				
- Shares	977.906	-	-	977.906
Total	4.617.580	49.044	3.585.948	982.588
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
- Derivative instruments	1.892	-	1.892	-
Total	1.892	-	1.892	-

The carrying value of fixed-rate Eurobonds (Note 6) with a total nominal value of USD 650,000,000 issued by the Company to be traded in Dublin Euronext is TL 488.111 thousand below their fair value based on registered prices in active markets (Level 1).

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26. EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the resolution of Board of Directors dated June 30, 2021; it has been decided to start negotiations with the ultimate shareholder Yıldız Holding A.Ş. for the acquisition of all controlling shares of Önem Gıda A.Ş. As of the disclosure date of the financial statements, there has been no new progress regarding this issue.