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 2022 (ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

CONTENTS		**PAGE(S)**

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

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

ASSETS	Notes	Reviewed Current Period 30 June 2022	Audited Prior Period 31 December 2021
Current Assets		**22,487,525**	**18,764,940**
Cash and Cash Equivalents	5	3,324,052	3,004,834
Financial Investments	6	6,366,126	6,414,869
Trade Receivables			
- Due from Related Parties	8-23	2,791,415	2,522,152
- Other Trade Receivables	8	2,998,206	2,165,759
Other Receivables			
- Due from Related Parties	9-23	915,125	545,670
- Other Receivables	9	274,984	68,732
Derivative instruments	10	173,156	1,499
Inventories	11	4,279,769	3,218,231
Prepaid Expenses			
- Other Prepaid Expenses		740,215	368,875
Current Income Tax Assets		38,660	166,661
Other Current Assets		585,817	287,658
Non-Current Assets		**8,843,321**	**7,478,685**
Financial Investments	6	2,348,069	1,878,478
Other Receivables			
- Due from Related Parties			
Property, Plant and Equipment	13	3,869,100	3,640,893
Intangible Assets			
- Goodwill	14	1,006,742	896,538
- Other Intangible Assets	15	795,929	651,304
Prepaid Expenses		92,829	83,633
Deferred Tax Asset	21	730,652	327,839
TOTAL ASSETS		**31,330,846**	**26,243,625**

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

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

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

LIABILITIES	**Notes**	**Reviewed Current Period 30 June 2022**	**Audited Prior Period 31 December 2021**
Current Liabilities		**15,092,084**	**6,134,222**
Short-Term Financial Liabilities	7	1,277,648	759,909
Short-Term Portion of Long-Term Financial Liabilities	7	9,400,562	2,103,140
Trade Payables			
- Due to Related Parties	8-23	916,126	475,461
- Other Trade Payables	8	2,353,913	1,794,960
Employee Benefit Related Liabilities		101,208	76,957
Other Payables			
- Other Payables to Third Parties	9	30,971	12,672
Deferred Income		70,840	83,754
Current Income Tax Liabilities	21	226,167	301,535
Short-Term Provisions			
- Short-Term Provisions for Employee Benefits		142,483	135,109
- Other Short-Term Provisions		495,745	287,449
Other Current Liabilities		76,421	103,276
Non-Current Liabilities		**12,005,655**	**15,795,501**
Long-Term Financial Liabilities	7	11,412,432	15,313,776
Long-Term Provisions			
- Long Term Provisions for Employee Benefits		461,592	346,828
Deferred Tax Liability	21	131,631	134,897
SHAREHOLDERS' EQUITY		**4,233,107**	**4,313,902**
Equity Attributable To Equity Holders' of the Parent		**2,516,873**	**2,986,714**
Share Capital		342,000	342,000
Adjustments to Share Capital		108,056	108,056
Effect of Business Combinations Under Common Control		(4,196,733)	(4,196,733)
Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Increases on Revaluation of Plant, Property and Equipment		815,379	815,379
- Losses on Remeasurement of Defined Benefit Plans		(48,332)	(44,479)
- Earnings from Investments in Equity Financial Instruments		1,754,676	1,276,228
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss			
- Currency Translation Differences		766,418	607,882
- Cash Flow Hedges		16,908	540
Restricted Reserves		157,537	157,537
Retained Earnings		3,920,304	4,384,636
Net Profit for the Period		(1,119,340)	(464,332)
Non-Controlling Interests		**1,716,234**	**1,327,188**
TOTAL LIABILITIES AND EQUITY		**31,330,846**	**26,243,625**

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

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

	Notes	Reviewed Current Period 1 January – 30 June 2022	Not reviewed Current Period 1 April - 30 June 2022	Restated (*) Reviewed Prior Period 1 January – 30 June 2021	Restated (*) Not reviewed Prior Period 1 April – 30 June 2021
Revenue	17	11,877,060	5,991,042	5,442,824	2,659,067
Cost of Sales (-)	17	(8,330,260)	(4,293,332)	(3,869,128)	(1,947,709)
GROSS PROFIT		**3,546,800**	**1,697,710**	**1,573,696**	**711,358**
General Administrative Expenses (-)	18	(278,375)	(145,579)	(160,863)	(82,745)
Marketing, Sales and Distribution Expenses (-)	18	(1,021,269)	(484,019)	(510,175)	(228,232)
Research and Development Expenses (-)	18	(29,714)	(17,230)	(18,760)	(9,895)
Other Operating Income		680,062	257,552	187,152	60,538
Other Operating Expenses (-)		(277,791)	(23,315)	(220,476)	(97,753)
OPERATING PROFIT		**2,619,713**	**1,285,119**	**850,574**	**353,271**
Income from Investment Activities		2,387,324	1,304,375	2,333,409	852,646
Expenses from Investment Activities (-)		(1,498,442)	(758,821)	(1,771)	(411)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		**3,508,595**	**1,830,673**	**3,182,212**	**1,205,506**
Financial Income	19	6,556	(21,663)	5,282	(13,610)
Financial Expenses (-)	20	(4,438,036)	(2,412,951)	(2,183,458)	(795,490)
(LOSS)/PROFIT BEFORE TAX		**(922,885)**	**(603,941)**	**1,004,036**	**396,406**
Tax Income/(Expense)		**37,194**	**49,306**	**(263,997)**	**(149,343)**
Current Tax Expense (-)	21	(364,274)	(173,977)	(292,588)	(159,466)
Deferred Tax Income	21	401,468	223,283	28,591	10,123
(LOSS)/PROFIT FOR THE PERIOD		**(885,691)**	**(554,635)**	**740,039**	**247,063**
Distribution of the (Loss)/Profit for the Period					
Non-Controlling Interest		233,649	94,000	87,841	26,013
Equity Holders of the Parent		(1,119,340)	(648,635)	652,198	221,050
(Losses)/Earnings Per Share	22	(3.27)	(1.90)	1.91	0.65

(*) The restated column shows the consolidated financial statement after the acquisition of Önem Gıda, and the effects of the relevant acquisition are explained in Note 2.3.

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

	Reviewed Current Period 1 January – 30 June 2022	Not reviewed Current Period 1 April- 30 June 2022	Restated (*) Reviewed Prior Period 1 January – 30 June 2021	Restated (*) Not reviewed Prior Period 1 April – 30 June 2021
(LOSS)/PROFIT FOR THE PERIOD	**(885,691)**	**(554,635)**	**740,039**	**247,063**
OTHER COMPREHENSIVE INCOME				
Not to be Reclassified To Profit or Loss	**474,352**	**478,803**	**(3,078)**	**(115)**
Losses on Remeasurement of Defined Benefit Plans	(5,121)	443	(3,848)	(144)
Gains from Financial Assets Measured at Fair Value Through Other comprehensive income	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	1,025	(88)	770	29
Earnings from Investments in Equity Financial Instruments, Tax Effect	8,858	8,858	-	-
Items to be Reclassified to Profit or Loss	**330,544**	**214,131**	**208,171**	**54,931**
Currency Translation Differences	314,176	229,075	207,647	54,719
Cash Flow Hedges	20,460	(18,680)	655	265
Taxes on Other Comprehensive Income That Will be Reclassified to Profit or Loss				
Cash Flow Hedges, Tax Effect	(4,092)	3,736	(131)	(53)
OTHER COMPREHENSIVE INCOME	**804,896**	**692,934**	**205,093**	**54,816**
TOTAL COMPREHENSIVE (EXPENSE)/INCOME	**(80,795)**	**138,299**	**945,132**	**301,879**
Distribution of Total Comprehensive (Expense)/Income				
Non-Controlling Interests	389,046	209,588	163,939	45,091
Equity Holders of the Parent	(469,841)	(71,289)	781,193	256,788

(*) The restated column shows the consolidated financial statement after the acquisition of Önem Gıda, and the effects of the relevant acquisition are explained in Note 2.3.

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

				Accumulated Other Comprehensive Income and Expenses To Be Reclassified to Profit or Loss		Accumulated Other Comprehensive Income and Expenses Not To Be Reclassified To Profit or Loss				Retained Earnings				
	Share Capital	**Adjustments to Share Capital**	**Effect of Business Combinations Under Common Control**	**Currency Translation Adjustments**	**Cash Flow Hedge (Loss)/ Gain**	**Revaluation of 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 2021 (Previously Reported)	**342,000**	**108,056**	**(485,419)**	**22,444**	**(1,400)**	**812,025**	**(35,463)**	**459,069**	**131,587**	**1,016,415**	**3,324,334**	**5,693,648**	**779,913**	**6,473,561**
Transactions Under Common Control	-	-	25,000	-	-	38,713	(2,407)	-	-	64,979	216,847	343,132	-	343,132
As of 1 January 2021 (Restated)	**342,000**	**108,056**	**(460,419)**	**22,444**	**(1,400)**	**850,738**	**(37,870)**	**459,069**	**131,587**	**1,081,394**	**3,541,181**	**6,036,780**	**779,913**	**6,816,693**
Transfers	-	-	-	-	-	(5,232)	-	-	25,950	(1,081,394)	1,060,676	-	-	-
Transactions Under Common Control	-	-	(3,736,314)	-	-	-	-	-	-	-	3,736,314	-	-	-
Total Comprehensive Income	-	-	-	131,279	524	-	(2,808)	-	-	652,198	-	781,193	163,939	945,132
Dividend Paid (*)	-	-	-	-	-	-	-	-	-	-	(276,600)	(276,600)	(72,692)	(349,292)
As of June 30 June 2021	**342,000**	**108,056**	**(4,196,733)**	**153,723**	**(876)**	**845,506**	**(40,678)**	**459,069**	**157,537**	**652,198**	**8,061,571**	**6,541,373**	**871,160**	**7,412,533**
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**

(*) At the Ordinary General Assembly Meeting for the year 2020 held on 26 April 2021, it was decided that a gross amount of TL 276,600,000 from the profit for the period would be distributed and paid in cash, and the dividend was distributed as of 25 May 2021. Food Manufacturers Company, one of the Group's subsidiaries, decided to pay a dividend of TL 146,722,501 at the Board Meeting dated 5 January 2021. TL 66,025,125 portion of the related amount was recognized under non-controlling interests.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2022 AND 2021

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

	Notes	Reviewed Current Period 1 January – 30 June 2022	Reviewed Prior Period 1 January – 30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period		(885,691)	740,039
Adjustments to Reconcile Net (Loss)/Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of tangible assets	13	159,031	107,550
Amortization expenses of intangible assets	15	2,523	1,560
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	8	670	(617)
Adjustments Related to Impairment Loss (Reversal) of Other Financial Investments			
Value increase in financial investments		1,470,038	(263,689)
Impairment loss of inventories	11	6,930	1,393
Adjustments Related to Provisions			
Adjustments for Provisions for Employee Benefits (Reversal)			
Provision for employment termination benefits		109,233	57,261
Provision for unused vacation		31,999	19,528
Provision for premium		37,550	34,591
Adjustments Related to Provisions (Reversal) for Lawsuits and/or Penalties		(394)	1,540
Adjustments Related to Other Provisions (Reversal)			
Other provisions (net)		208,691	115,484
Adjustments Related to Dividend Income		-	(45)
Adjustments Related to Interest (Income) and Expenses			
Adjustments Related to Interest Income			
Interest income		(165,105)	(262,786)
Adjustments Related to Interest Expenses			
Interest expenses	20	921,427	397,096
Adjustments Related to Tax Expenses	21	(37,194)	263,997
Adjustments Related to Losses/(Gains) on Disposals of Non-Current Assets			
Adjustments related to gains arising from sale of tangible assets		(5,645)	(376)
Adjustments Related to Other Items That Cause Cash Flows Arising from Investment or Financing Activities			
Change in foreign currency of financial liabilities (net)		3,478,599	1,750,521
Change in foreign currency from investing activities (net)		(2,182,698)	(1,798,265)
Commission expenses and financial income (net)		31,453	67,972
Other Adjustments to Reconcile Profit/(Loss)			
Rent income		(5,472)	(6,477)
Net operating cash flows provided before changes in working capital		**3,175,945**	**1,226,277**

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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2022 AND 2021

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

	Notes	Not Reviewed Current Period 1 January – 30 June 2022	Not Reviewed Prior Period 1 January – 30 June 2021
Changes in Working Capital			
Increase in trade receivables		(664,519)	(39,380)
Increase in trade receivables from related parties		(269,263)	(166,420)
Increase in inventories		(990,301)	(280,763)
Increase in other receivables and other assets		(856,494)	(95,621)
Increase/(decrease) in trade payables		382,138	(134,118)
Increase in trade payables to related parties		440,665	27,897
Decrease in other payables and liabilities		(59,022)	(148,506)
Cash generated from activities		**1,159,149**	**389,366**
Payments Related to Provisions For Employee Benefits			
Employment termination benefit paid		(29,489)	(38,232)
Unused vacation paid		(14,955)	(10,214)
Performance premium paid		(63,713)	(63,571)
Lawsuits Provision Paid		-	(365)
Taxes Paid		(311,641)	(205,727)
Cash generated from operating activities		**739,351**	**71,257**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment and intangible assets		13,713	2,972
Proceeds from sales of investment properties		-	26,145
Cash outflows from purchase of property, plant and equipment		(193,304)	(100,532)
Cash outflows from purchase of intangible assets	15	(585)	(148)
Changes in non-trade receivables from related parties		(369,455)	(111,172)
Dividends received		-	45
Interest received		165,105	262,786
Other cash advances given and payables		(9,196)	-
Other cash advances given and repayments from debts		-	(10,636)
Cash outflows from purchase of other businesses or share of funds or debt instruments		(18,637)	(1,199,589)
Proceeds from leases		5,472	6,477
Net cash used in/(generated from) investing activities		**(406,887)**	**(1,123,652)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		1,639,011	1,204,337
Repayments of borrowings		(1,469,462)	(668,154)
Dividend paid		-	(349,292)
Commission paid		(31,223)	(30,559)
Interest paid		(778,768)	(391,271)
Change in non-trade payables to related parties		-	(120)
Net cash (used in)/generated from financing activities		**(640,442)**	**(235,059)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(307,978)**	**(1,287,454)**
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		**627,196**	**501,871**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	**3,004,834**	**3,835,520**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**3,324,052**	**3,049,937**

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

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

1. ORGANIZATION AND OPERATIONS OF THE 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 (2021: Fifteen).

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

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

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

As of 30 June 2022, the total number of people employed by the Group 9,573, which contain 1,815 employees who worked as subcontractors (31 December 2021: 9,447, subcontractor: 1,700).

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

As of 30 June 2022 and 31 December 2021, the names and percentages of the shareholders holding more than 5% of the Company's share capital are as follows:

		30 June 2022		31 December 2021
Title of Shareholders	**Share**	**Percentage**	**Share**	**Percentage**
pladis Foods Limited	174,420	51.00%	174,420	51.00%
Ülker Family Members and Yıldız Holding A.Ş.	25,580	7.48%	25,580	7.48%
Other	142,000	41.52%	142,000	41.52%
	342,000	**100.00%**	**342,000**	**100.00%**

As of 30 June 2022 and 31 December 2021, the details of the subsidiaries ("Subsidiaries") under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

	30 June 2022		31 December 2021		
Subsidiaries	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Nature of Operation**
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	73.9%	73.9%	73.9%	73.9%	Manufacturing
Ülker Çikolata Sanayi A.Ş.	91.7%	91.7%	91.7%	91.7%	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100.0%	100.0%	100.0%	100.0%	Trading
UI Egypt B.V.	51.0%	51.0%	51.0%	51.0%	Investing
Hi-Food for Advanced Food Industries	-	51.4%	-	51.4%	Manufacturing-Sales
Sabourne Investments Ltd	100.0%	100.0%	100.0%	100.0%	Investing
Food Manufacturers' Company	-	55.0%	-	55.0%	Manufacturing-Sales
Hamle Company Ltd LLP	100.0%	100.0%	100.0%	100.0%	Manufacturing-Sales
Ulker Star LLC	-	99.0%	-	99.0%	Sales
UI Mena BV	100.0%	100.0%	100.0%	100.0%	Investing
Amir Global Trading FZE	-	100.0%	-	100.0%	Sales
Ulker for Trading and Marketing	-	99.8%	-	99.8%	Sales
International Biscuits Company	100.0%	100.0%	100.0%	100.0%	Manufacturing-Sales
Önem Gıda Sanayi ve Ticaret A.Ş.	100.0%	100.0%	100.0%	100.0%	Manufacturing-Sales

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

Approval of consolidated financial statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 17 August 2022. 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 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 2 June 2016 and subsequently announced to the public on 15 April 2019, together with the changes in TFRS-15 Revenue from Contracts with Customers and TFRS-16 Leases standards.

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

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey and preparing their financial statements in accordance with the Financial Reporting Standards approved by the CMB ("CMB Financial Reporting Standards") are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Company and Subsidiaries in Turkey maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The 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 Group's interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2021 year-end financial statements**.**

Functional and Presentation Currency

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

Restatement of Financial Statements During Periods of High Inflation

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

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

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 2022

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

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

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

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

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

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

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

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

Annual Improvements to TFRS Standards 2018 - 2020 Cycle

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

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

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

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

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

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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

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

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

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

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

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

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

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

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

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

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

TFRS 17 *Insurance Contracts*

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

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

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

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

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

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

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

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

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

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

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

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

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

Amendments are effective with the first application of TFRS 17.

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

2.3 Changes in Accounting Policies:

Comparative Information and Restatement of Prior Period Financial Statements

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated.

The financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are disclosed. The Group has restated its prior period financial statements in order to comply with the presentation of the current period consolidated financial statements.

Pursuant to the principle published by the Public Oversight Authority (POA) in the Official Gazette dated 21 July 2013 on "Accounting for Business Combinations Subject to Joint Control", mergers under common control shall be accounted for by restating prior period financial statements using the "Combination of Rights" method. Transactions realized under common control are reflected in the financial statements according to the "Consolidation of Rights" method. In this context, with the acquisition of Önem Gıda Sanayi ve Ticaret A.Ş., the consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the period ended 30 June 2021 have been restated.

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

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

2.3 Changes in Accounting Policies (cont'd)

Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

	Reported (*) Prior Period 1 January- 30 June 2021	Restatement Effects Including Elimination	Restated (*) Prior Period 1 January- 30 June 2021
Revenue	5,232,094	210,730	5,442,824
Cost of Sales	(3,840,794)	(28,334)	(3,869,128)
GROSS PROFIT	**1,391,300**	**182,396**	**1,573,696**
General Administrative Expenses	(157,568)	(3.295)	(160,863)
Marketing Expenses	(507,165)	(3,010)	(510,175)
Research and Development Expenses	(18.610)	(150)	(18,760)
Other Operating Income	146,453	40,699	187,152
Other Operating Expenses	(91,388)	(129,088)	(220,476)
OPERATING PROFIT	**763,022**	**87,552**	**850,574**
Income from Investing Activities	2,230,976	102,433	2,333,409
Expenses from Investing Activities	(235)	(1,536)	(1,771)
OPERATING PROFIT BEFORE FINANCE INCOME (EXPENSE)	**2,993,763**	**188,449**	**3,182,212**
Finance Income	2,444	2,838	5,282
Finance Expenses	(1,954,353)	(229,105)	(2,183,458)
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS	**1,041,854**	**(37,818)**	**1,004,036**
Tax Expense from Continuing Operations	**(268,134)**	**4,137**	**(263,997)**
Current Tax Expense	(280,603)	(11,985)	(292,588)
Deferred Tax Income	12,469	16,122	28,591
PROFIT FOR THE PERIOD	**773,720**	**(33,681)**	**740,039**

(*) The reported column shows the consolidated financial statement before the acquisition of Önem Gıda, and the restated column shows the consolidated financial statement after the acquisition of Önem Gıda, and the effects of the relevant acquisition are explained in Note 3.

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

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

2.3 Changes in Accounting Policies (cont’d)

Comparative Information and Restatement of Prior Period Financial Statements (cont’d)

	Reported (*) Prior Period 1 January – 30 June 2021	Restatement Effects Including Elimination	Restated (*) Prior Period 1 January- 30 June 2021
PROFIT FOR THE PERIOD	**773,720**	**(33,681)**	**740,039**
Other Comprehensive Income: Items not to be Reclassified to Profit or Loss	**(2,682)**	**(396)**	**(3,078)**
Loss on Remeasurement of Defined Benefit Plans	(3,353)	(495)	(3,848)
Taxes on Other Comprehensive Expenses Not to be Reclassified to Profit or Loss			
Gain on Remeasurement of Defined Benefit Plans, Tax Effect	671	99	770
Items to be Reclassified to Profit or Loss	**208,169**	**2**	**208,171**
Currency Translation Differences	207,646	1	207,647
Cash Flow Hedging Losses	581	74	655
Taxes on Other Comprehensive Expenses to be Reclassified to Profit or Loss			
Cash Flow Hedging Gains, Tax Effect	(58)	(73)	(131)
OTHER COMPREHENSIVE INCOME	**205,487**	**(394)**	**205,093**
TOTAL COMPREHENSIVE INCOME	**979,207**	**(34,075)**	**945,132**
Distribution of Total Comprehensive Income			
Non-Controlling Interests	163,939	-	163,939
Parent Shares	815,268	(34,075)	781,193

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

3. BUSINESS COMBINATIONS

The Company purchased 100% shares of Önem Gıda Sanayi ve Ticaret A.Ş. (Önem Gıda), 100% owned by Yıldız Holding A.Ş., on 27 August 2021 for a consideration of TL 3,736,314 thousand. The purchase transaction has been evaluated as "Transactions under Common Control" and the difference between the paid amount and the capital of Önem Gıda has been accounted for under equity. The net asset received as a result of the transaction and the equity effect of the transaction are as follows:

Assets Under Consolidation	**31 July 2021 Asset/(Liability)**
Current Assets	
Cash and cash equivalents	191,971
Trade receivables	403,636
Other receivables	484,002
Inventories	1,053,242
Other current assets	117,208
Non-Current Assets	
Other receivables	516
Property, plant and equipment and intangible assets (Net)	173,553
Other non-current assets	1,813
Current Liabilities	
Finance payables	(1,393,178)
Trade payables	(145,312)
Other current liabilities	(105,853)
Non-Current Liabilities	
Finance payables	(401,056)
Other non-current liabilities	(21,142)
Net Assets Under Consolidation	**359,400**
Total ownership rate of the Group	100%
Group's share of net assets acquired	359,400
Non-capital equity items	334,400
Nominal capital amount of Önem Gıda	25,000
Cash paid for purchase	(3,736,314)
Merger Effect of Businesses Under Common Control	**(3,711,314)**

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

4. 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 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 2022 and 1 January – 30 June 2021.

	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%	20.0%
Investment Expenses	133,876	48,723	182,599

	Domestic	**Foreign**	**1 January - 30 June 2021**
Revenue	3,321,622	2,121,202	5,442,824
Gross Profit	778,335	795,361	1,573,696
Operating Profit (*)	480,006	403,892	883,898
EBITDA (**)	531,014	461,994	993,008
EBITDA/Revenue	16.0%	21.8%	18.2%
Investment Expenses	74,130	17,959	92,089

(*) 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.

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

5. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash on hand	407	1,758
Demand deposits	1,760,458	1,584,142
Time deposits	1,579,290	1,434,427
Impairment provision	(16,103)	(15,493)
	3,324,052	**3,004,834**

The details of time deposits are as follows:

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	30 June 2022
TL	17.26%	July 2022	772,625
EUR	0.05%	July 2022	60,940
USD	1.48%	July 2022	639,897
GBP	0.05%	July 2022	41,452
EGP	8.25%	July 2022	64,376
			1,579,290

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

6. FINANCIAL INVESTMENTS

Short-Term Financial Investments:	30 June 2022	31 December 2021
Financial assets measured at fair value through profit/loss (*)	6,366,126	6,414,869
	6,366,126	**6,414,869**

Long-Term Financial Investments:	30 June 2022	31 December 2021
Financial assets measured at fair value through other comprehensive income (**)	2,348,069	1,878,478
	2,348,069	**1,878,478**

Financial Assets at Fair Value Through Other Comprehensive Income	30 June 2022	31 December 2021
G New, Inc	659,686	527,744
Godiva Belgium BVBA	1,688,183	1,350,534
Other	200	200
	2,348,069	**1,878,478**

(*) TL 6,335,022 thousands of short-term financial investments consist of liquid mutual funds with a maturity of less than 3 months. (31 December 2021: 6.392.264 thousands of TL)

(**) 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 2022 amounting to TL 1,754,676 thousand have been presented under shareholder's equity (31 December 2021: 1.276.228 thousands of TL).

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

7. FINANCIAL LIABILITIES

	30 June 2022	31 December 2021
Short-term financial liabilities	1,277,648	759,909
Short-term portion of long-term financial liabilities	9,400,562	2,103,140
Long-term financial liabilities	11,412,432	15,313,776
	22,090,642	**18,176,825**

Other Current Liabilities:	30 June 2022	31 December 2021
Bank loans	1,277,648	759,909
	1,277,648	**759,909**

Short-Term Portions of Long-Term Financial Liabilities	30 June 2022	31 December 2021
Bank loans	8,656,566	1,499,536
Issued debt instruments (*)	723,935	579,253
Financial lease liabilities	20,061	24,351
	9,400,562	**2,103,140**

Long-Term Financial Liabilities	30 June 2022	31 December 2021
Bank loans	1,211,906	7,148,942
Issued debt instruments (*)	10,200,526	8,157,834
Financial lease liabilities	-	7,000
	11,412,432	**15,313,776**

The Group has used a syndication loan in 20 April 2020. Details of Group's syndication loans are as follows: Syndication loan consists of two credit tranches which are USD 110,000,000 and EUR 243,938,528. 7 international banks joined to the syndication. Effective interest rate for both credit tranches are Euribor + 2.95% for EUR, Libor + 3.10% for USD and the maturity date is 20 April 2023. In addition to the syndicated loan, the Group has received a EUR 75,000,000 EBRD loan dated 20 April 2020. The interest rate of the related EBRD loan is Euribor + 2.95% and the maturity date is 20 April 2023. 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 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%.

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.

The Group initiated amendment negotiations as the consolidated financial statements of the Group was unable to comply with the interest coverage ratio 'Consolidated interest coverage ratio of the Group should be at least 2 to 1' criteria stated in the financial ratios of the syndication loan agreement amounting to USD 110,000,000 and EUR 243,938,528 as of 30 June 2022. As of issuance date of the report, the Group concluded the amendment process of syndication agreement and the consolidated financial statements of the Group are in line with the amended syndication agreement.

The Group obtained a waiver for the EBRD loan amounting to EUR 75,000,000 since the consolidated financial statements of the Group was unable to comply with the interest coverage ratio 'Consolidated interest coverage ratio of the Group should be at least 2 to 1' criteria stated in the related loan agreement as of 30 June 2022.

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

7. FINANCIAL LIABILITIES (cont'd)

Financial Liabilities:

30 June 2022

Currency Type	Maturity	Effective Weighted Average Interest Rate (%)	Short-Term	Long-Term
TL	July 2022-April 2023	27.30%	20,061	-
USD	October 2022-October 2025	6.66%	2,562,605	10,200,527
EUR	October 2022-May 2023	3.28%	7,924,901	887,215
EGP	July 2022-September 2023	8.00%	4,297	6,333
KZT	July 2022-January 2026	11.98%	166,346	318,357
			10,678,210	**11,412,432**

31 December 2021

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

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

	30 June 2022	31 December 2021
To be paid within 1 year	9,380,501	2,078,789
To be paid within 1-2 years	1,722,562	7,472,785
To be paid within 2-3 years	738,692	590,206
To be paid within 3-4 years	8,951,178	7,223,496
To be paid within 4-5 years	-	20,289
	20,792,933	**17,385,565**

Short-Term Portion of Long-Term Financial Lease Liabilities	30 June 2022	31 December 2021
Financial lease liabilities	22,374	29,913
Future finance charges on leasing (-)	(2,313)	(5,562)
	20,061	**24,351**

Long-Term Financial Lease Liabilities	30 June 2022	31 December 2021
Financial lease liabilities	-	7,331
Future finance charges on leasing (-)	-	(331)
	-	**7,000**

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

	30 June 2022	31 December 2021
To be paid within 1 year	20,061	24,351
To be paid within 1-2 years	-	7,000
	20,061	**31,351**

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

8. TRADE RECEIVABLES AND PAYABLES

	30 June 2022	31 December 2021
Due from Related Parties		
Due from related parties (Note 23)	2,791,415	2,522,152
	2,791,415	**2,522,152**
Other Trade Receivables		
Trade receivables	3,019,670	2,185,452
Notes receivables	903	162
Provision for expected credit loss	(22,367)	(19,855)
	2,998,206	**2,165,759**
Total Short-Term Trade Receivables	**5,789,621**	**4,687,911**

The movement of the provision for expected credit loss as of 30 June 2022 and 2021 is as follows:

	30 June 2022	30 June 2021
Opening balance	(19,855)	(12,341)
Charge for the period	(728)	(858)
Cancelled provision amount	58	1,475
Currency translation differences	(1,842)	(1,508)
Closing balance	**(22,367)**	**(13,232)**

	30 June 2022	31 December 2021
Short-Term Trade Payables		
Due from related parties (Note 23)	916,126	475,461
Trade payables	2.353,913	1,794,960
	3,270,039	**2,270,421**

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

9. OTHER RECEIVABLES AND PAYABLES

	30 June 2022	31 December 2021
Other Receivables		
Due from related parties (Note 23)	915,125	545,670
Short-term other receivables	274,984	68,732
	1,190,109	**614,402**

	30 June 2022	31 December 2021
Other Short-Term Receivables		
VAT Receivables	226,820	22,374
Deposits and guarantees given	39,699	34,231
Receivables from personnel	3,679	3,302
Other	4,786	8,825
	274,984	**68,732**

	30 June 2022	31 December 2021
Other Payables		
Other short-term payables	30,971	12,672
	30,971	**12,672**

	30 June 2022	31 December 2021
Other Short-Term Payables		
Deposits and guarantees received	172	172
Other short-term payables	30,799	12,500
	30,971	**12,672**

10. DERIVATIVE INSTURMENTS

The Group has realized Fixed Interest Rate Swap transaction, consisting of a total of USD 33,000,000, in order to avoid interest rate risk, in line with the payment plan of the USD 110,000,000 tranche of the 3-year term and variable rate syndication loan used on 20 April 2020. In addition, on 19 January 2022, 15 February 2022, 25 March 2022, 27 May 2022 and 30 June 2022, the Group has executed a 1-year Cross Currency Fixed Interest Rate Swap for a total of EUR 200,000,000 in order to avoid fx risk relating to EUR 243.938.528 of syndication loan and EUR 75.000.000 EBRD loan. These transactions are associated as to avoid cash flow risk in the accompanying consolidated financial statements.

As of 30 June 2022 and 31 December 2021, derivative instruments are as follows:

	30 June 2022		31 December 2021	
	Contract Amount	**Fair Value Asset**	**Contract Amount**	**Fair Value Asset/(Liability)**
Derivative instruments held for hedge				
Cross Currency Fixed Rate Swaps	3,474,029	161,621	-	-
Forward Transactions	915,142	388	221,382	1,153
Fixed Interest Rate Swap	573,213	11,147	439,857	346
Total Asset / (Liability)	**4,962,384**	**173,156**	**661,239**	**1,499**

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

11. INVENTORIES

Details of inventory are as follows:

	30 June 2022	31 December 2021
Raw materials	2,927,681	2,298,257
Work in progress	160,796	72,115
Finished goods	1,045,916	719,737
Trade goods	39,338	47,562
Other inventories	150,824	114,513
Allowance for impairment on inventory (-)	(44,786)	(33,953)
	4,279,769	**3,218,231**

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

The movement of allowance for impairment on inventory for the periods ended on 30 June 2022 and 2021 are below:

	1 January- 30 June 2022	1 January- 30 June 2021
Opening balance	(33,953)	(29,809)
Charge for the period	(6,930)	(1,393)
Reversal of provision	1,363	4,371
Currency translation differences	(5,266)	(2,759)
Closing balance	**(44,786)**	**(29,590)**

12. INVESTMENT PROPERTIES

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

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

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

13. PROPERTY, PLANT AND EQUIPMENT

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

Cost	**1 January 2022**	**Additions**	**Disposal**	**Transfer**	**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**	**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**

From depreciation and amortization expenses of property, plant and equipment and intangible assets, TL 152,812 thousand (30 June 2021: TL 101,545 thousand) is included in cost of goods sold, TL 400 thousand (30 June 2021: TL 231 thousand) in research and development expenses, TL 3,343 thousand (30 June 2021: TL 2.299 thousand) in marketing and selling expenses, TL 4.999 thousand (30 June 2021: TL 5,035 thousand) in general and administrative expenses. In the six-month period ending as of 30 June 2022, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets as of 30 June 2022.

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

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

Movement of property, plant and equipment 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	857,540	-	-	-	6,423	863,963
Buildings	1,227,958	109	(2,229)	4,842	50,527	1,281,207
Machinery, plant and equipment	2,668,920	14,204	(4,435)	13,376	180,493	2,872,558
Vehicles	13,622	21	(7)	-	1,424	15,060
Furniture and fixture	145,823	2,580	(1,260)	5,165	11,716	164,024
Leasehold improvements	54,170	427	(633)	-	40	54,004
Other property, plant and equipment	32	-	-	-	-	32
Construction in progress	67,043	74,600	(384)	(23,395)	7,887	125,751
	5,035,108	**91,941**	**(8,948)**	**(12)**	**258,510**	**5,376,599**

Accumulated Depreciation	**1 January 2021**	**Charge for the Period**	**Disposal**	**Transfer**	**Currency translation differences**	**30 June 2021**
Buildings	(635,450)	(14,007)	1,728	-	(22,594)	(670,323)
Machinery, plant and equipment	(1,405,321)	(83,413)	3,469	-	(97,477)	(1,582,742)
Vehicles	(10,593)	(635)	1	-	(1,215)	(12,442)
Furniture and fixture	(101,209)	(6,898)	572	-	(7,560)	(115,095)
Leasehold improvements	(35,681)	(2,595)	582	-	(33)	(37,727)
Other property, plant and equipment	(28)	(2)	-	-	-	(30)
	(2,188,282)	**(107,550)**	**6,352**	**-**	**(128,879)**	**(2,418,359)**
Net Value	**2,846,826**					**2,958,240**

In the six-month period ending as of 30 June 2021, there is no fixed asset acquired through financial leasing by the Group.

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

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

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

	Useful Life
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 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.

14. GOODWILL

	30 June 2022	**31 June 2022**
Opening balance	896,538	496,196
Currency translation difference	110,204	102,644
Closing balance	**1,006,742**	**598,840**

The distribution of goodwill is as follows:

Company	**30 June 2022**	**31 December 2021**
UI Mena B.V.	968,409	862,402
IBC	38,333	34,136
	1,006,742	**896,538**

UI Mena B.V.

Yıldız Holding A.Ş. acquired United Biscuit Group as of 3 November 2014. Goodwill accounted at Yıldız Holding's financial statement related with UI MENA operations is accounted in Ülker Bisküvi's consolidated financial 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.

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

15. INTANGIBLE ASSETS

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

Cost	**1 January 2022**	**Addition**	**Disposal**	**Transfer**	**Currency translation differences**	**30 June 2022**
Rights (*)	675,632	299	(856)	-	148,871	823,946
Other intangible assets	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**	**Currency translation differences**	**30 June 2022**
Rights	(28,760)	(371)	4	-	(1,960)	(31,087)
Other intangible assets	(10,393)	(2,152)	4	-	(1,950)	(14,491)
	(39,153)	**(2,523)**	**8**	**-**	**(3,910)**	**(45,578)**
Net Value	**651,304**					**795,929**

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

Cost	**1 January 2021**	**Addition**	**Disposal**	**Transfer**	**Currency translation differences**	**30 June 2021**
Rights (*)	373,597	10	-	-	69,022	442,629
Other intangible assets	9,569	138	-	12	965	10,684
	383,166	**148**	**-**	**12**	**69,987**	**453,313**

Amortization	**1 January 2021**	**Charge for the Period**	**Disposal**	**Transfer**	**Currency translation differences**	**30 June 2021**
Rights	(14,418)	(374)	-	-	(2,265)	(17,057)
Other intangible assets	(4,966)	(1,186)	-	-	(473)	(6,625)
	(19,384)	**(1,560)**	**-**	**-**	**(2,738)**	**(23,682)**
Net Value	**363,782**					**429,631**

(*) As of 30 June 2022, rights contain reacquired rights related with Saudi distribution agreements of Groups products in Saudi Arabia amounting to TL 662,924 thousand (30 June 2021: TL 345,371 thousand), the remaining amount of TL 121,051 thousand (30 June 2021: TL 72.005 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. As of 30 June 2022, there is no impairment.

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

15. INTANGIBLE ASSETS (cont'd)

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

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

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

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

	30 June 2022			31 December 2021		
	TL	**USD**	**EUR**	**TL**	**USD**	**EUR**
A) CPM's given in the name of own legal personality	264,774	25,354	-	264,447	25,737	-
B) CPM's given on behalf of the fully consolidated companies	-	-	174,750	-	-	179,100
C) CPM's given on behalf of third parties for ordinary course of business (**)	-	-	-	-	-	-
D) Total amount of other CPM's given	-	-	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder (***)	-	-	-	-	-	-
ii.Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-	-	-
iii.Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
				-	-	-
Total	**264,774**	**25,354**	**174,750**	**264,447**	**25,737**	**179,100**

(*) Non-cash risk amounting to TL 118 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 2022 (31 December 2021: zero).

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

The cash balance of Ülker Bisküvi's subsidiaries with an amount of TL 592.7 million, EUR 10.1 million and USD 19.5 million and non-cash bank guarantees amounting to TL 140.1 million, USD 57 million and EUR 383 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 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.

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

17. REVENUE AND COST OF SALES

The detail of operating income is as follows:

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Domestic sales (*)	12,769,891	6,161,390	5,909,332	2,810,081
Export sales	2,711,674	1,519,472	1,113,122	582,889
Sales returns and discounts (-)	(3,604,505)	(1,689,820)	(1,579,630)	(733,903)
Revenue (net)	**11,877,060**	**5,991,042**	**5,442,824**	**2,659,067**
Cost of goods sold	(8,192,257)	(4,212,909)	(3,794,924)	(1,904,242)
Cost of trade goods sold	(138,003)	(80,423)	(74,204)	(43,467)
Cost of sales	**(8,330,260)**	**(4,293,332)**	**(3,869,128)**	**(1,947,709)**
Gross Profit	**3,546,800**	**1,697,710**	**1,573,696**	**711,358**

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

18. EXPENSES BY NATURE

The detail of operating expenses is as follow:

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
General Administrative Expenses				
Personnel expenses	(124,988)	(63,899)	(71,930)	(36,467)
Operating expenses	(92,856)	(45,644)	(51,360)	(23,413)
Consultancy expenses	(29,169)	(18,553)	(20,063)	(13,714)
Depreciation and amortization	(4,999)	(2,602)	(5,035)	(3,332)
Other	(26,363)	(14,881)	(12,475)	(6,819)
	(278,375)	**(145,579)**	**(160,863)**	**(82,745)**
Marketing Expenses				
Marketing operating expenses	(777,263)	(335,565)	(384,621)	(161,633)
Personnel expenses	(182,761)	(96,363)	(89,626)	(46,755)
Rent expenses	(21,328)	(10,819)	(12,694)	(6,724)
Depreciation and amortization	(3,343)	(1,632)	(2,299)	(953)
Other	(36,574)	(19,640)	(20,935)	(12,167)
	(1,021,269)	**(484,019)**	**(510,175)**	**(228,232)**
Research and Development Expenses				
Personnel expenses	(16,725)	(8,985)	(10,019)	(4,711)
Materials used	(5,882)	(4,250)	(3,029)	(1,943)
Depreciation and amortization	(400)	(204)	(231)	(119)
Other	(6,707)	(3,791)	(5,481)	(3,122)
	(29,714)	**(17,230)**	**(18,760)**	**(9,895)**

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

19. FINANCE INCOME

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Foreign Exchange profit	5,337	(22,157)	1,513	(15,505)
Other	1,219	494	3,769	1,895
	6,556	**(21,663)**	**5,282**	**(13,610)**

20. FINANCE EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Foreign Exchange losses arising from financing	(3,483,936)	(1,867,349)	(1,752,034)	(583,769)
Interest expenses	(921,427)	(531,689)	(397,096)	(188,362)
Other	(32,673)	(13,913)	(34,328)	(23,359)
	(4,438,036)	**(2,412,951)**	**(2,183,458)**	**(795,490)**

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.

The Law No. 7316 on the Law on Collection Procedure of Public Claims and Amending Some Laws in Turkey was published in the Official Gazette dated 22 April 2021 and numbered 31462. With this law amendment, 25% tax rate will be taken into account for the period of 1 January – 31 December 2021. Although the provisional tax periods are quarterly, since three, six, nine and twelve-month financial statements are taken as basis in the calculation of the income to be declared, taxation will be made by considering the 25% rate over the cumulative corporate tax base of 2021 for the whole year. For the year 2022, taxation will be made by considering the rate of 23% over the corporate tax base.

The rate applied in the calculation of deferred tax assets and liabilities for entities in Turkey is 23% (2021: 25%), for entities in Saudi Arabia and Kazakhstan is 20% (2021: 20%), for entities in Egypt is 22.5% (2021: 22.5%), for the entity in Kyrgyzstan 10% (2021: 10%), and for the entity in the United Arab Emirates is zero (2021: Zero).

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

21. TAX ASSET AND LIABILITIES (cont'd)

Deferred tax bases:

	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Amortization of property, plant and equipment and intangible assets	-	-	284,624	216,369
Financial investments valuation differences	-	-	1,850,778	1,381,188
Provisions for employment termination benefits	(304,352)	(220,998)	-	-
Prior years' losses	(3,506,330)	(1,073,388)	-	-
Provision for expected credit loss	(41,075)	(35,655)	-	-
Provision for unused vacation	(42,134)	(26,527)	-	-
Impairment on inventories	(16,775)	(21,605)	-	-
Profit elimination on inventories	(30,720)	(24,713)	-	-
Provision for lawsuits	(8,948)	(8,594)	-	-
Derivative instruments	-	-	173,156	1,499
Other	(78,725)	(287,802)	111,593	83,709
	(4,029,059)	**(1,699,282)**	**2,420,153**	**1,682,765**

Deferred tax calculated over the tax bases:

	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Amortization of property, plant and equipment and intangible assets	-	-	95,910	82,259
Financial investments valuation differences	-	-	74,679	83,504
Provisions for employment termination benefits	(60,870)	(44,200)	-	-
Prior years' losses	(701,899)	(215,284)	-	-
Investment incentive	(16,912)	(19,258)	-	-
Provision for expected credit loss	(9,447)	(8,914)	-	-
Provision for unused vacation	(9,691)	(6,632)	-	-
Impairment on inventories	(3,858)	(5,401)	-	-
Profit elimination on inventories	(7,066)	(6,178)	-	-
Provision for lawsuits	(2,058)	(2,149)	-	-
Derivative instruments	-	-	34,632	334
Other	(18,107)	(71,950)	25,666	20,927
	(829,908)	**(379,966)**	**230,887**	**187,024**

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

21. TAX ASSET AND LIABILITIES (cont'd)

Movements of Deferred Tax Liability:

	1 January - 30 June 2022	1 January - 30 June 2021
Opening balance	**(192,942)**	**127,378**
Taxes netted from funds recognized under equity	(5,791)	(639)
Currency translation differences	1,180	941
Deferred tax income	(401,468)	(28,591)
	(599,021)	**99,089**

As at 30 June 2022, the Group calculated deferred tax assets of TL 3,506,330 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2021: TL 1,073,388 thousand).

The maturities of these losses are as follows:

	30 June 2022	31 December 2021
2025	182,897	136,141
2026	750,465	937,247
2027	2,572,968	
Total	**3,506,330**	**1,073,388**

Corporate tax

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

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized. The tax rate as of 30 June 2022 is 23% (2021: 25%).

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

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

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

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

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

21. TAX ASSET AND LIABILITIES (cont'd)

Corporate tax (cont'd)

In Egypt, the group's subsidiaries, Hi Food for Advanced Food Industries and Ulker for Trading and marketing, operate, "the corporate tax rate is 22.5% (2021: 22.5%). In Saudi Arabia, where Food Manufacturers' Company and International Biscuits Company operate, "the corporate tax rate is 20% (2021: 20%). The corporate tax rate is 20% (2021: 20%) in Kazakhstan, where one of the group's subsidiaries, Hamle Company Ltd LLP, operates.

In Kyrgyzstan, where Ulker Star LLC, one of the group's subsidiaries, operates, the corporate tax rate is 10% (2021: 10%). Amir Global Trading FZE, one of the group's subsidiaries, is exempt from corporate tax in the United Arab Emirates (2021: exempt).

Income withholding tax

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

	30 June 2022	31 December 2021
Total tax provision	(364,274)	(450,711)
Prepaid taxes and funds	138,107	149,176
Taxation in the balance sheet	**(226,167)**	**(301,535)**

	1 January - 30 June 2022	1 January - 30 June 2021
Current period corporate tax expense	364,274	292,588
Deferred tax income	(401,468)	(28,591)
Tax expense in the statement of income	**(37,194)**	**263,997**

22. EARNINGS PER SHARE

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

	1 January - 30 June 2022	1 January - 30 June 2021
Weighted average number of common stock outstanding	34,200,000	34,200,000
Net profit per share of the parent	(1,119,340)	652,198
Basic Earnings per Share	**(3.27)**	**1.91**

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

23. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	30 June 2022	31 December 2021
Trade receivables	2,791,415	2,522,152
Non-trade receivables	915,125	545,670
	3,706,540	**3,067,822**

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

	30 June 2022		31 December 2021	
	Trade	**Non-Trade**	**Trade**	**Non-Trade**
Principle Shareholder				
Yıldız Holding A.Ş.	-	915,125	-	545,670
Other Companies Controlled by the Principle Shareholder				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	1,402,802	-	1,186,689	-
Pasifik Tük. Ürün. Satış ve Ticaret A.Ş.	854,015	-	894,081	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	237,390	-	199,933	-
G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş.	168,109	-	132,837	-
United Biscuits (UK) Ltd.	3,735	-	1,971	-
Other	125,364	-	106,641	-
	2,791,415	**915,125**	**2,522,152**	**545,670**

The Group's trade receivables from related parties mainly arise from sales to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret A.Ş.

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

23. RELATED PARTY DISCLOSURES (cont'd)

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

	30 June 2022	31 December 2021
Trade payables	916,126	475,461
	916,126	**475,461**

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

	30 June 2022		31 December 2021	
	Trade	**Non-Trade**	**Trade**	**Non-Trade**
Principle Shareholder				
Yıldız Holding A.Ş.	368,188	-	202,863	-
Other Companies Controlled by the Principle Shareholder				
Besler Gıda ve Kimya San. ve Tic. A.Ş.	247,813	-	59,609	-
United Biscuits (UK) Ltd.	116,676	-	85,303	-
Marsa Yağ San. ve Tic. A.Ş.	53,301	-	5,995	-
pladis Foods Limited	-	-	30,622	-
Adapazarı Şeker Fabrikası A.Ş.	-	-	19,655	-
Other	130,148	-	71,414	-
	916,126	**-**	**475,461**	**-**

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

23. RELATED PARTY DISCLOSURES (cont'd)

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

	1 January – 30 June 2022		1 April 2022- 30 June 2022		1 January – 30 June 2021		1 April 2021- 30 June 2021	
	Purchases	**Sales**	**Purchases**	**Sales**	**Purchases**	**Sales**	**Purchases**	**Sales**
Other Companies Controlled by the Principle Shareholder								
Besler Gıda ve Kimya San. ve Tic. A.Ş.	768,464	-	314,215	-	251,718	-	128,931	-
Marsa Yağ San. ve Tic. A.Ş.	198,836	-	92,000	-	46,972	-	24,889	-
United Biscuits (UK) Ltd.	121,250	10,622	70,717	6,139	63,373	3,728	32,588	2,421
Adapazarı Şeker Fabrikası A.Ş.	75,821	-	267	-	55,880	-	13,399	-
G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş.	2,572	270,447	1,204	145,872	554	134,253	376	66,132
Pendik Nişasta San. A.Ş.	-	-	-	-	17,341	-	10,032	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	3,371,360	-	1,652,736	-	1,691,748	-	806,787
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	2,730,068	-	1,415,519	-	1,184,059	-	599,123
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	418,280	-	181,823	-	155,416	-	76,148
Other	54,315	176,383	30,444	67,596	21,875	70,543	11,780	29,598
	1,221,258	**6,977,160**	**508,847**	**3,469,685**	**457,713**	**3,239,747**	**221,995**	**1,580,209**

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.

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

23. 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 2022:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(427)	(276,342)	154,682
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(111,221)	1,468
United Biscuits (UK) Ltd.	-	(18,149)	(1,873)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(13,556)	56,266
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	42	(13,115)	7,535
İzsal Gayrimenkul Geliştirme A.Ş.	(1,332)	(5,297)	-
Other	157	(31,020)	(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
Principle Shareholder			
Yıldız Holding A.Ş.	(163)	(137,734)	68,844
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(58,090)	1,679
United Biscuits (UK) Ltd.	-	(11,214)	(475)
İzsal Gayrimenkul Geliştirme A.Ş.	(671)	(2,741)	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	21	15	584
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	2,369	27,210
Other	81	(16,384)	(1,494)
	(732)	**(223,779)**	**96,348**

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

23. RELATED PARTY DISCLOSURES (cont'd)

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.	(172)	(132,117)	348,887
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(64,931)	(111)
United Biscuits (UK) Ltd.	-	(13,807)	(1,086)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(12,773)	58,984
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	35	(9,120)	26,238
İzsal Gayrimenkul Geliştirme A.Ş.	(1,174)	(3,066)	-
Other	569	(8,741)	(5,033)
	(742)	**(244,555)**	**427,879**

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.	(71)	(63,224)	127,834
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(34,308)	233
United Biscuits (UK) Ltd.	-	(11,147)	(743)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(6,605)	31,317
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	18	(4,680)	13,960
İzsal Gayrimenkul Geliştirme A.Ş.	(569)	(1,527)	-
Other	(1,749)	(4,112)	(2,281)
	(2,371)	**(125,603)**	**170,320**

Benefits provided to members of BOD and key management personnel:

	30 June 2022	30 June 2021
Salaries and other short-term benefits	47,394	34,921
	47,394	**34,921**

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

24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

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

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

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

	30 June 2022				
	TL Equivalent	**USD**	**EUR**	**GBP**	**CHF**
1. Trade Receivables	2,293,173	126,274	9,635	1,086	-
2a. Monetary Financial Assets	9,523,048	558,683	9,697	2,229	69
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	293,302	3,395	13,294	167	141
4. CURRENT ASSETS	**12,109,523**	**688,352**	**32,626**	**3,482**	**210**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	**-**	**-**	**-**	**-**	**-**
9. TOTAL ASSETS	**12,109,523**	**688,352**	**32,626**	**3,482**	**210**
10. Trade Payables	550,843	11,155	15,951	4,039	370
11. Financial Liabilities	10,487,506	153,805	456,238	-	-
12a. Other Monetary Financial Liabilities	1,520	42	53	-	-
12b. Other Non-monetary Financial Liabilities	51,797	172	2,817	-	-
13. CURRENT LIABILITIES	**11,091,666**	**165,174**	**475,059**	**4,039**	**370**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	11,087,742	612,225	51,077	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	**11,087,742**	**612,225**	**51,077**	**-**	**-**
18. TOTAL LIABILITIES	**22,179,408**	**777,399**	**526,136**	**4,039**	**370**
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	**4,389,171**	**22,588**	**231,019**	**-**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	(4,389,171)	(22,588)	(231,019)	-	-
20. Net foreign assets/liability position (9-18+19)	**(5,680,714)**	**(66,459)**	**(262,491)**	**(557)**	**(160)**
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(10.311.390)**	**(92,270)**	**(503,987)**	**(724)**	**(301)**
22. Total fair value of derivative instruments used in foreign currency hedge	173,156	10,369	22	-	-

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

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

Foreign currency risk management (cont'd)

	31 December 2021				
	TL Equivalent	**USD**	**EUR**	**GBP**	**CHF**
1. Trade Receivables	1,457,685	95,147	11,512	879	-
2a. Monetary Financial Assets	9,502,941	707,152	2,916	1,801	66
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	221,518	732	13,923	6	110
4. CURRENT ASSETS	**11,182,144**	**803,031**	**28,351**	**2,686**	**176**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	**-**	**-**	**-**	**-**	**-**
9. TOTAL ASSETS	**11,182,144**	**803,031**	**28,351**	**2,686**	**176**
10. Trade Payables	561,364	11,701	21,082	3,970	1,100
11. Financial Liabilities	2,680,025	47,117	136,014	-	-
12a. Other Monetary Financial Liabilities	1,436	50	51	-	-
12b. Other Non-monetary Financial Liabilities	23,007	1,691	31	-	-
13. CURRENT LIABILITIES	**3,265,832**	**60,559**	**157,178**	**3,970**	**1,100**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	14,978,811	718,408	358,140	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	**14,978,811**	**718,408**	**358,140**	**-**	**-**
18. TOTAL LIABILITIES	**18,244,643**	**778,967**	**515,318**	**3,970**	**1,100**
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	**79,205**	**-**	**5,250**	**-**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	(79,205)	-	(5,250)	-	-
20. Net foreign assets/liability position (9-18+19)	**(6,983,294)**	**24,064**	**(481,717)**	**(1,284)**	**(924)**
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(7,261,010)**	**25,023**	**(500,859)**	**(1,290)**	**(1,034)**
22. Total fair value of derivative instruments used in foreign currency hedge	1,499	-	99	-	-

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

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

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

	1 January – 30 June 2022	1 January – 30 June 2021
Total export amount	2,711,674	1,113,122
Total import amount	1,948,378	1,384,568
	4,660,052	**2,497,690**

Foreign currency risk sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR. The table below shows, the foreign currency sensitivity of the 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 2022		30 June 2021	
	Income / Expense		Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of %10 appreciation of USD against TL				
1 - US Dollar net asset / liability	(153,735)	153,735	431,117	(431,117)
2- Part of hedged from US Dollar risk (-)	37,635	(37,635)	-	-
3- US Dollar net effect (1 +2)	**(116,100)**	**116,100**	**431,117**	**(431,117)**
In case of %10 appreciation of EUR against TL				
4 -Euro net asset / liability	(875,430)	875,430	(513,310)	513,.310
5 - Part of hedged from Euro risk (-)	401,282	(401,282)	-	-
6- Euro net effect (4+5)	**(474,148)**	**474,148**	**(513,310)**	**513,310**
Total (3 + 6)	**(590,248)**	**590,248**	**(82,193)**	**82,193**

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

25. FINANCIAL INSTRUMENTS

Classification and fair value of financial assets

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

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

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

		Fair value hierarchy as of reporting date		
Financial assets	**30 June 2022**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial assets at fair value through profit and loss				
- Available for trading	6,366,326	2,487	6,335,022	28,817
Financial assets at fair value through comprehensive income statement				
- Derivative instruments	173,156	-	173,156	-
- Shares	2,347,869	-	-	2,347,869
Total	**8,887,351**	**2,487**	**6,508,178**	**2,376,686**
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
Other financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

25. FINANCIAL INSTRUMENTS (cont'd)

Classification and fair value of financial assets (cont'd)

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

Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
- Derivative instruments	-	-	-	-
Total	**-**	**-**	**-**	**-**

The carrying value of fixed-rate Eurobonds (Note 6) with a total nominal value of USD 650,000,000 issued by the Company to be traded in Dublin Euronext is TL 2,466,671 thousand below their fair value based on registered prices in active markets (Level 1). (31 December 2021 366.501 thousands of TL)

26. EVENTS AFTER THE REPORTING PERIOD

None.