

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2023
(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 31 MARCH 2023**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023 AND
31 DECEMBER 2022

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

		Unaudited Current Period 31 March 2023	Audited Prior Period 31 December 2022
ASSETS	Notes		
Current Assets		28,508,097	25,174,269
Cash and Cash Equivalents	4	9,861,492	9,254,834
Financial Investments	5	3,200	210,497
Trade Receivables			
- Trade Receivables from Related Parties	7,21	5,602,348	4,100,552
- Trade Receivables from Third Parties	7	3,922,531	3,287,788
Other Receivables			
- Other Receivables from Related Parties	8,21	1,362,807	1,194,805
- Other Receivables from Third Parties	8	392,654	362,795
Derivative Instruments	9	634,545	745,842
Inventories	10	5,520,627	4,996,350
Prepaid Expenses			
- Prepaid Expenses to Third Parties		495,272	423,058
Current Income Tax Assets	19	12,817	13,507
Other Current Assets		699,804	584,241
Non-Current Assets		12,814,875	12,684,522
Financial Investments	5	2,742,214	2,687,204
Property, Plant and Equipment	11	6,823,652	6,817,011
Intangible Assets			
- Goodwill	12	1,180,644	1,122,211
- Other Intangible Assets	13	920,027	895,475
Prepaid Expenses		34,035	128,632
Deferred Tax Asset	19	1,114,303	1,033,989
TOTAL ASSETS		41,322,972	37,858,791

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

		Unaudited Current Period 31 March 2023	Audited Prior Period 31 December 2022
LIABILITIES AND SHAREHOLDER'S EQUITY	Notes		
Current Liabilities		18,784,494	16,887,346
Short-Term Borrowings	6	1,268,448	925,081
Short-Term Portion of Long-Term Financial Liabilities	6	11,104,740	10,476,406
Trade Payables			
- Trade Payables to Related Parties	7,21	918,986	1,079,457
- Trade Payables to Third Parties	7	2,951,694	3,081,810
Payables Related to Employee Benefits		344,154	132,371
Other Payables			
- Other Payables to Third Parties	8	3,906	3,025
Derivative Instruments	9	27,128	22,724
Deferred Income		65,022	82,260
Current Income Tax Liabilities	19	541,648	261,953
Short-Term Provisions			
- Short-Term Provisions for Employee Benefits		317,174	259,014
- Other Short-Term Provisions		1,007,447	351,169
Other Current Liabilities		234,147	212,076
Non-Current Liabilities		13,816,036	13,288,953
Long-Term Borrowings	6	12,830,370	12,349,131
Long-Term Provisions			
- Provisions for Employee Benefits		831,251	763,769
Deferred Tax Liability	19	154,415	176,053
SHAREHOLDERS' EQUITY		8,722,442	7,682,492
Equity Attributable To Equity Holders' of the Parent		6,511,844	5,685,906
Paid-in Capital		342,000	342,000
Share Capital Adjustment Differences		108,056	108,056
Effect of Business Combinations Under Common Control		(4,196,733)	(4,196,733)
Accumulated Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Actuarial Losses		(369,018)	(261,647)
- Increases on Revaluation of Plant, Property and Equipment		3,085,949	3,085,949
- Earnings from Investments in Equity Financial Instruments		2,071,182	2,020,802
Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss			
- Foreign Currency Translation Differences		842,540	832,293
- Cash Flow Hedges Gains		7,481	30,446
Restricted Reserves Appropriated from Profit		157,537	157,537
Prior Years' Profit		3,567,203	3,920,304
Net Profit for the Period		895,647	(353,101)
Non-Controlling Interests		2,210,598	1,996,586
TOTAL LIABILITIES AND EQUITY		41,322,972	37,858,791

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 ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIODS ENDED
 31 MARCH 2023 AND 2022

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

	Notes	Unaudited Current Period 1 January- 31 March 2023	Unaudited Prior Period 1 January- 31 March 2022
Revenue	15	10,111,756	5,886,018
Cost of Sales	15	(6,640,800)	(4,036,928)
GROSS PROFIT		3,470,956	1,849,090
General Administrative Expenses (-)	16	(210,988)	(132,796)
Marketing Expenses (-)	16	(991,948)	(537,250)
Research and Development Expenses (-)	16	(39,884)	(12,484)
Other Operating Income		228,209	422,510
Other Operating Expenses (-)		(207,595)	(254,476)
OPERATING PROFIT		2,248,750	1,334,594
Income from Investment Activities		524,086	1,082,949
Expenses from Investment Activities (-)		(35,677)	(739,621)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		2,737,159	1,677,922
Financial Income	17	129,071	28,219
Financial Expenses (-)	18	(1,465,264)	(2,025,085)
PROFIT/(LOSS) BEFORE TAX		1,400,966	(318,944)
Tax Expense		(247,523)	(12,112)
Current Tax Expense	19	(283,647)	(190,297)
Deferred Tax Income	19	36,124	178,185
PROFIT/(LOSS) FOR THE PERIOD		1,153,443	(331,056)
Distribution of the Profit/(Loss) for the Period			
Non-Controlling Interest		257,796	139,649
Equity Holders of the Parent		895,647	(470,705)
Earnings/(Loss) Per Share	20	2.62	(1.38)

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS 31 MARCH 2023 AND 2022

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

	Unaudited Current Period 1 January- 31 March 2023	Unaudited Prior Period 1 January- 31 March 2022
PROFIT/(LOSS) FOR THE PERIOD	1,153,443	(331,056)
OTHER COMPREHENSIVE INCOME		
Not to be Reclassified To Profit or Loss	(66,140)	(4,451)
(Losses) on Remeasurement of Defined Benefit Plans	(144,671)	(5,564)
Earnings from Investments in Equity Financial Instruments	50,354	-
Taxes on Other Comprehensive Income That will not be Reclassified to Profit or Loss		
(Losses) on Remeasurement of Defined Benefit Plans, Tax Effect	28,934	1,113
Earnings from Investments in Equity Financial Instruments, Tax Effect	(757)	-
Items to be Reclassified To Profit or Loss	(47,353)	116,413
Foreign Currency Translation Differences	(24,388)	85,101
(Loss)/Gains on Cash Flow Hedges	(28,706)	39,140
Taxes on Other Comprehensive Income That will be Reclassified to Profit or Loss		
Gains/(Loss) on Cash Flow Hedges, Tax Effect	5,741	(7,828)
OTHER COMPREHENSIVE (LOSS)/INCOME	(113,493)	111,962
TOTAL COMPREHENSIVE INCOME/(LOSS)	1,039,950	(219,094)
Distribution of Total Comprehensive Income		
Non-Controlling Interests	214,012	179,458
Equity Holders of the Parent	825,938	(398,552)

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE INTERIM PERIODS 31 MARCH 2023 AND 2022

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

	Accumulated Other Comprehensive Income and Expenses To Be Reclassified to Profit or Loss					Accumulated Other Comprehensive Income and Expenses Not To Be Reclassified To Profit or Loss				Retained Earnings				
	Paid-in Capital	Share Capital Adjustment Differences	Effect of Business Combinations Under Common Control	Foreign Currency Translation Differences	Cash Flow Hedge Gain	Loss on Revaluation Plant, Property and Equipment	Loss on Remeasurement of Defined Benefit Plans	Earnings from Investments in Equity Financial Instruments	Restricted Reserves Appropriated from Profit	Net (Loss)/ Profit for the Period	Prior Periods' Profit	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interest	Total
As of 1 January, 2022	342,000	108,056	(4,196,733)	607,882	540	815,379	(44,479)	1,276,228	157,537	(464,332)	4,384,636	2,986,714	1,327,188	4,313,902
Transfers	-	-	-	-	-	-	-	-	-	464,332	(464,332)	-	-	-
Total Comprehensive Income	-	-	-	44,971	31,312	-	(4,130)	-	-	(470,705)	-	(398,552)	179,458	(219,094)
As of 31 March, 2022	342,000	108,056	(4,196,733)	652,853	31,852	815,379	(48,609)	1,276,228	157,537	(470,705)	3,920,304	2,588,162	1,506,646	4,094,808
As of 1 January, 2023	342,000	108,056	(4,196,733)	832,293	30,446	3,085,949	(261,647)	2,020,802	157,537	(353,101)	3,920,304	5,685,906	1,996,586	7,682,492
Transfers	-	-	-	-	-	-	-	-	-	353,101	(353,101)	-	-	-
Total Comprehensive Income	-	-	-	10,247	(22,965)	-	(107,371)	50,380	-	895,647	-	825,938	214,012	1,039,950
As of 31 March, 2023	342,000	108,056	(4,196,733)	842,540	7,481	3,085,949	(369,018)	2,071,182	157,537	895,647	3,567,203	6,511,844	2,210,598	8,722,442

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS
ENDED 31 MARCH 2023 AND 2022**

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

	Notes	Unaudited Current Period 1 January- 31 March 2023	Unaudited Prior Period 1 January- 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		1,153,443	(331,056)
Adjustments to Reconcile Net Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of property, plant and equipment	11	113,611	76,783
Amortization expenses of intangible assets	13	1,267	1,282
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	7	(5,782)	509
Financial investment value (increase)/decrease		(6,084)	707,541
Provision for inventory impairment	10	7,595	6,125
Adjustments Related to Provisions			
Adjustments Related to Provisions (Reversals) for Employee Benefits			
Provision for employment termination benefits		61,995	62,079
Unused vacation accrual		44,543	15,300
Performance premium accrual		141,424	22,870
Adjustments Related to Provisions (Reversals) for Lawsuits and/or Penalties		204	(262)
Adjustments Related to Other Provisions (Reversals)			
Other provisions (net)		656,074	240,247
Adjustments Related to Interest (Income) and Expenses			
Interest Income		(227,418)	(83,769)
Interest expenses	18	569,961	389,738
Adjustments Related to Tax Expenses	19	247,523	12,112
Adjustments Related to (Gains) on Disposals of Non-Current Assets			
Adjustments related to (gains) arising from sale of property, plant and equipment		(844)	(1,544)
Adjustments Related to Other Items That Cause Cash Flows Arising from Investment or Financing Activities			
Financial liabilities exchange rate change (net)		724,252	1,589,093
Change in foreign currency from investing activities (net)		(254,072)	(962,790)
Commission expenses and financial income (net)		41,980	18,173
Derivative instruments income (net)		-	(138)
Other Adjustments to Reconcile Profit/(Loss)			
Rent income		(4,646)	(2,766)
Net cash before changes in assets and liabilities		3,265,026	1,759,527

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NOTES TO THE CONDENSED CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2023 AND 2022
(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

	Notes	Unaudited Current Period 1 January- 31 March 2023	Unaudited Prior Period 1 January- 31 March 2022
Changes in Working Capital			
(Increase) in trade receivables		(626,086)	(438,138)
(Increase) in receivables related parties		(1,501,796)	(665,839)
(Increase) in inventories		(526,476)	(424,134)
(Increase) in other receivables and other assets		(222,599)	(256,004)
(Decrease)/increase in trade payables		(141,051)	353,235
(Decrease)/increase in payables to related parties		(160,471)	278,389
Increase in other payables and liabilities		271,514	3,204
Cash generated from activities		358,061	610,240
Payments related to provisions for employee benefits			
Employment termination benefit paid		(139,073)	(16,994)
Unused vacation paid		(31,485)	(2,278)
Performance premium paid		(97,217)	(6,475)
Taxes Paid		(3,262)	(224,088)
Cash generated from operating activities		87,024	360,405
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from sales of property, plant and equipment and intangible assets		18,683	6,117
Cash outflows from purchase of property, plant and equipment		(171,290)	(80,625)
Cash outflows from purchase of intangible assets	13	(719)	(382)
Changes in non-trade receivables from related parties		(168,002)	(323,235)
Interest received		227,418	83,769
Other cash advances given and payables		94,597	4,379
Cash outflows from the purchase of shares or debt instruments of other businesses or funds		207,844	(10,026)
Cash generated from leases		4,646	2,766
Net cash (used in)/generated from investing activities		213,177	(317,237)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		757,967	62,847
Repayments of borrowings		(514,048)	(291,963)
Interest paid		(55,542)	(56,107)
Commission paid		(41,980)	(18,173)
Net cash used in financing activities		146,397	(303,396)
NET CHANGE IN CASH AND CASH EQUIVALENTS		446,598	(260,228)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		160,060	240,507
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	9,254,834	3,004,834
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	9,861,492	2,985,113

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NOTES TO THE CONDENSED CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2023 AND 2022

(Amounts expressed in thousand 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. and fifteen subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2022: Fifteen).

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

Ülker Bisküvi Sanayi A.Ş. 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 31 March 2023, the total number of people employed by the Group is 9,611, which contains 2,115 employees who worked as subcontractors (31 December 2022: 9,489, subcontractor: 1,914).

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

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

Name of the Shareholders	31 March 2023		31 December 2022	
	Share	Percentage	Share	Percentage
pladis Foods Limited	174,420	%51.00	174,420	%51.00
Other	167,580	%49.00	167,580	%49.00
	342,000	%100.00	342,000	%100.00

As of 31 March 2023 and 31 December 2022, Ülker Bisküvi Sanayi A.Ş.’s subsidiaries within the scope of full consolidation (“Subsidiaries”), their main fields of activity and the Company’s direct and effective ownership rates are as follows:

Subsidiaries	31 March 2023		31 December 2022		Nature of Operations
	Ratio of Direct Ownership	Ratio of Direct Effective	Ratio of Direct Ownership	Ratio of Direct Effective	
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

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NOTES TO THE CONDENSED CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2023 AND 2022

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (continued)

Approval of consolidated financial statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 9 May 2023. The General Assembly has the authority to amend/modify the 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 consolidated financial statements of the Group are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations. In addition, the financial statements are presented in accordance with the formats determined in the “Announcement on TFRS Taxonomy” published by POA on October 4, 2022 and the Financial Statement Examples and User Guide published by CMB.

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

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

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

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 the each subsidiary are expressed in Turkish Lira, which is the presentation currency of the Group and the presentation currency of the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.2 New and Revised International Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

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

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

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

Amendments are effective with the first application of TFRS 17.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.2 New and Revised International Financial Reporting Standards (continued)

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

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

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

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

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

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

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

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3. SEGMENT REPORTING

The main field of activity of the Group is the marketing and sales of biscuits, chocolate coated biscuits, wafers, cakes and chocolate. The reports, which are regularly reviewed by the authorized decision maker regarding the Group's activities, are prepared using the Group's condensed consolidated interim financial statements. The Board of Directors, which takes strategic decisions, has been determined as the authorized authority to take decisions regarding the activities of the Group. The Group management has determined the operating segments based on the reports reviewed by the Board of Directors, which are effective in taking strategic decisions. The Board of Directors monitors the performance of the operating segments as gross profit and operating profit.

Group; In its management reporting, it monitors its operations and investment expenditures as domestic (performed by companies in Turkey) and international operations within the scope of TFRS 8. Accordingly, the information for the periods 1 January - 31 March 2023 and 1 January - 31 March 2022 is presented below.

	Domestic	International	1 January- 31 March 2023
Revenue	6,659,227	3,452,529	10,111,756
Gross Profit	2,155,307	1,315,649	3,470,956
Operating Profit (*)	1,483,125	745,011	2,228,136
EBITDA (**)	1,533,295	809,719	2,343,014
EBITDA/Revenue	23.0%	23.5%	23.2%
Investment Expense	75,554	89,148	164,702
	Domestic	International	1 January- 31 March 2022
Revenue	3,506,874	2,379,144	5,886,018
Gross Profit	932,952	916,138	1,849,090
Operating Profit (*)	660,082	506,478	1,166,560
EBITDA (**)	691,594	553,031	1,244,625
EBITDA/Revenue	19.7%	23.2%	21.1%
Investment Expense	56,119	19,434	75,553

(*) 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 firm'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

	31 March 2023	31 December 2022
Cash on hand	759	4,588
Demand bank deposits	1,591,878	1,299,382
Time bank deposits	8,284,425	7,968,329
Provision for expected loss	(15,570)	(17,465)
	9,861,492	9,254,834

The details of time deposits are as follows:

Currency Type	Interest Rate (%)	Maturity	31 March 2023
TL	24.06%	April 2023	1,359,119
USD	3.76%	April 2023	6,706,587
EGP	8.25%	April 2023	90,706
SAR	4.75%	April 2023	78,768
KZT	13.00%	April 2023	49,245
			8,284,425

Currency Type	Interest Rate (%)	Maturity	31 December 2022
TL	20.00%	January 2023	1,431,658
USD	3.73%	January 2023	6,251,869
EUR	0.01%	January 2023	65,785
EGP	8.25%	January 2023	77,232
SAR	4.75%	January 2023	75,729
KZT	13.00%	January 2023	66,056
			7,968,329

5. FINANCIAL INVESTMENTS

Short Term Financial Investments:	31 March 2023	31 December 2022
Financial assets measured at fair value through profit or loss (*)	3,200	210,497
	3,200	210,497

Long Term Financial Investments:	31 March 2023	31 December 2022
Financial assets measured at fair value through other comprehensive income (**)	2,742,214	2,687,204
	2,742,214	2,687,204

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5. FINANCIAL INVESTMENTS (continued)

Financial Assets at Fair Value through Other Comprehensive Income

	31 March 2023	31 December 2022
G New, Inc	803,510	784,426
Godiva Belgium BVBA	1,810,946	1,767,935
Other	127,758	134,843
	2,742,214	2,687,204

(*) TL 150 thousand of short-term financial investments consists of mutual funds with maturities of less than 3 months. (31 December 2022: TL 207,453 thousand)

(**) Equity investments, over which the Group has no significant influence, are classified as financial investments at fair value through other comprehensive income. As of 31 March 2023, the after-tax difference to the parent amounting to TL 2,071,182 thousand has been accounted for in equity. (2022: TL 2,020,802)

6. FINANCIAL LIABILITIES

	31 March 2023	31 December 2022
Short term liabilities	1,268,448	925,081
Short term portion of long-term liabilities	11,104,740	10,476,406
Long term liabilities	12,830,370	12,349,131
	25,203,558	23,750,618
<u>Short Term Liabilities:</u>	31 March 2023	31 December 2022
Letters of credit	1,268,448	925,081
	1,268,448	925,081
<u>Short Term Portion of Long-Term Liabilities</u>	31 March 2023	31 December 2022
Bank loans	10,256,886	9,655,778
Issued debt instruments (*)	846,966	812,749
Financial lease payables	888	7,879
	11,104,740	10,476,406
<u>Long Term Liabilities</u>	31 March 2023	31 December 2022
Bank loans	1,332,721	1,315,059
Issued debt instruments (*)	11,495,292	11,031,399
Financial lease payables	2,357	2,673
	12,830,370	12,349,131

(*) 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%.

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6. FINANCIAL LIABILITIES (continued)

The Group has used a syndication loan dated April 20, 2020, and this syndication loan consists of two tranches. One of the tranches is 110,000,000 USD and the other is 243,938,528 Euros. 7 international banks participated in the syndication. The applicable interest rate for the Euro tranche is Euribor+ 2.95%, for the US Dollar it is Libor+ 3.10% and the maturity date is 20 April 2023. In addition to the syndication loan, the Group used 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 the loan tranches must be paid semiannually, at the end of their maturity.

On April 20, 2023, Company has utilized a total of USD 330 million syndication and EBRD loans with a 3-year maturity and the participation of 6 international banks for the purpose of refinancing the aforementioned syndication and EBRD loans. The utilized loan consists of tranches of Murabaha amounting to EUR 25 million and USD 10 million, conventional loans amounting to USD 25 million and EUR 171 million, and a conventional loan with EBRD amounting to EUR 75 million. This loan is the Group's first sustainability-linked loan and has been used to repay the syndication and EBRD loans with a total amount of USD 457 million, which matured in April 2023.

The covenants of the related loans are as follows:

a) Leverage: The ratio of the consolidated net debt on the last day of the current period to the last 12 months consolidated EBITDA (Earnings before interest, depreciation, tax) for the current period should not exceed 4:1.

b) Interest Coverage: The Group's consolidated interest coverage ratio for the current period should not be lower than 2:1.

(In the current period, the consolidated financial statements of the Group are in line with the provisions of the bank loan agreements.)

Borrowings:

31 March 2023

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	April 2023-October 2025	27.68%	888	2,357
USD	April 2023-October 2025	6.88%	3,035,082	11,495,292
EUR	April 2023-April 2024	4.27%	9,138,954	1,057,436
EGP	April 2023-September 2023	8.00%	3,654	-
KZT	April 2023-January 2026	11.97%	194,610	275,285
			12,373,188	12,830,370

31 December 2022

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

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6. FINANCIAL LIABILITIES (continued)

Borrowings(continued)

The repayment terms of bank loans and issued debt instruments are as follows:

	31 March 2023	31 December 2022
To be paid within 1 year	11,103,852	10,468,527
To be paid within 1-2 years	1,998,637	1,520,137
To be paid within 2-3 years	10,829,376	10,800,835
To be paid within 3-4 years	-	25,486
	23,931,865	22,814,985

Short-Term Portion of Long-Term Financial Lease Liabilities

	31 March 2023	31 December 2022
Financial lease liabilities	2,177	9,511
Costs of deferred lease liabilities (-)	(1,289)	(1,632)
	888	7,879

Long-Term Financial Lease Liabilities

	31 March 2023	31 December 2022
Financial lease liabilities	3,295	3,957
Costs of deferred lease liabilities (-)	(938)	(1,284)
	2,357	2,673

The repayment terms of financial leasing debts are as follows:

	31 March 2023	31 December 2022
To be paid within 1 year	888	7,879
To be paid within 1-2 years	1,320	1,239
To be paid within 2-3 years	1,037	1,434
	3,245	10,552

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables from Related Parties

Trade receivables from related parties (Note 21)

	31 March 2023	31 December 2022
	5,602,348	4,100,552
	5,602,348	4,100,552

Other Trade Receivables

Trade Receivables

Provision for expected loss

	31 March 2023	31 December 2022
Trade Receivables	3,949,854	3,320,713
Provision for expected loss	(27,323)	(32,925)
	3,922,531	3,287,788
Total Short-Term Trade Receivables	9,524,879	7,388,340

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7. TRADE RECEIVABLES AND PAYABLES (continued)

The movement table of provisions for doubtful receivables for the periods 31 March 2023 and 2022 as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Opening balance	(32,925)	(19,855)
Charge for the period	(1,025)	(555)
Cancelled provision amount	6,807	46
Foreign currency translation differences	(180)	(133)
Closing balance	(27,323)	(20,497)

	31 March 2023	31 December 2022
Short-Term Trade Payables		
Trade payables to related parties (Note 21)	918,986	1,079,457
Trade payables	2,951,694	3,081,810
	3,870,680	4,161,267

8. OTHER RECEIVABLES AND PAYABLES

	31 March 2023	31 December 2022
Other Receivables		
Non-trade receivables from related parties (Note 21)	1,362,807	1,194,805
Short-term other receivables	392,654	362,795
	1,755,461	1,557,600

	31 March 2023	31 December 2022
Other Short-Term Receivables		
VAT Receivables	341,962	315,646
Deposits and guarantees given	33,999	35,352
Receivables from personnel	4,679	4,713
Other	12,014	7,084
	392,654	362,795

	31 March 2023	31 December 2022
Other Payables		
Other short-term payables	3,906	3,025
	3,906	3,025

	31 March 2023	31 December 2022
Other Short-Term Payables		
Deposits and guarantees received	822	22
Other short-term payables	3,084	3,003
	3,906	3,025

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9. DERIVATIVE INSTRUMENTS

The Group has realized Fixed Interest Rate Swap transactions, consisting of a total of USD 33,000,000, in order to hedge 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 to this, in line with the payment schedule of the syndicated loan of EUR 243,938,528 and the EBRD loan of EUR 75,000,000 used on 20 April 2020, in order to hedge currency risk, On 19 January 2022, 15 February 2022, 27 May 2022, 30 June 2022, 31 August 2022 and 23 March 2023 a total of EUR 250,000,000 Cross Currency Fixed Interest Rate Swap with a maturity of April 2023 has been made. On March 22, 2023, the Company has executed a Cross Currency Fixed Rate Swap transaction in the amount of USD 50,000,000 to hedge against currency risks, in parallel with the payment plan of its USD 650,000,000 bond (5-year maturity, pays semi-annual coupons, and has a fixed annual interest rate of 6.95% to be paid at maturity together with the principal) issued on October 30, 2020. These transactions are associated with cash flow hedging purposes in the accompanying consolidated financial statements.

In addition, the Group applied a forward transaction of EUR 17,800,000 in total on 10 January 2023, 11 January 2023, 19 January 2023, 7 February 2023.

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

	31 March 2023		31 December 2022	
	Contract Amount	Fair Value Asset/(Liability)	Contract Amount	Fair Value Asset/(Liability)
For hedging purposes				
Cross Currency Fixed Rate Swaps	6,168,910	621,272	4,983,725	733,042
Fixed Interest Rate Swap	632,056	13,273	617,044	12,800
Buy-Sell purpose				
Forward Transactions	371,041	(27,128)	559,130	(22,724)
Total Asset / (Liability)	7,172,007	607,417	6,159,899	723,118

10. INVENTORIES

Details of inventory are as follows;

	31 March 2023	31 December 2022
Raw materials	3,612,176	3,491,225
Work in progress	203,697	144,682
Finished goods	1,439,422	1,155,578
Trade goods	95,330	87,087
Other inventories	239,302	179,664
Allowance for impairment on inventory (-)	(69,300)	(61,886)
	5,520,627	4,996,350

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

Inventory impairment movements for the three months ended period of 31 March 2023 and 2022 are as follows;

	1 January- 31 March 2023	1 January- 31 December 2022
Opening balance	(61,886)	(33,953)
Charge for the period	(7,595)	(6,125)
Write-offs	170	1,345
Foreign currency translation differences	11	(1,681)
Closing balance	(69,300)	(40,414)

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11. PROPERTY, PLANT AND EQUIPMENT

Movement of tangible assets between 1 January - 31 March 2023 is as follows:

Cost	1 January 2023	Addition	Disposal	Transfer	Foreign Currency Translation Differences	31 March 2023
Land	2,785,109	490	-	-	(12,372)	2,773,227
Buildings	3,205,239	2,104	-	(3,488)	(9,842)	3,194,013
Machinery, plant and equipment	4,891,083	37,703	(22,691)	18,805	10,720	4,935,620
Vehicles	20,215	1,213	-	193	158	21,779
Furniture and fixture	279,190	9,904	(1,086)	(3,174)	(2,007)	282,827
Leasehold improvements	59,613	437	-	-	12	60,062
Other property, plant and equipment	55	32,219	-	-	431	32,705
Construction in progress	216,837	79,913	(67)	(12,148)	(3,689)	280,846
	11,457,341	163,983	(23,844)	188	(16,589)	11,581,079

Accumulated depreciation	1 January 2023	Charge for the Period	Disposal	Transfer	Foreign Currency Translation Differences	31 March 2023
Buildings	(1,895,522)	(19,330)	2,031	(4,720)	(3,907)	(1,921,448)
Machinery, plant and equipment	(2,512,841)	(81,150)	2,920	4,720	(7,370)	(2,593,721)
Vehicles	(18,137)	(1,268)	978	2,603	(94)	(15,918)
Furniture and fixture	(171,546)	(6,679)	76	(2,603)	1,893	(178,859)
Leasehold improvements	(42,249)	(1,219)	-	-	(13)	(43,481)
Other property, plant and equipment	(35)	(3,965)	-	-	-	(4,000)
	(4,640,330)	(113,611)	6,005	-	(9,491)	(4,757,427)
Net Value	6,817,011					6,823,652

Depreciation and amortization expenses of tangible fixed assets and intangible assets amounted to TL 109,694 thousand (31 March 2022: TL 73,761 thousand) to cost of goods sold, TL 300 thousand (March 31, 2022: TL 196 thousand) to research and development expenses, TL 1,828 thousand (31 March 2022: TL 1,711 thousand) is included in marketing and sales expenses, TL 3,056 thousand (31 March 2022: TL 2,397 thousand) is included in general administrative expenses. The Group has not made any lease purchases during the three-month period ending as of 31 March 2023. As of 31 March 2023, there are no tangible assets subject to mortgage or pledge.

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

Movement of tangible assets between 1 January - 31 March 2022 is as follows:

Cost	1 January 2022	Additions	Disposal	Transfer	Foreign Currency Translation Differences	31 March 2022
Land	836,106	-	-	-	(2,640)	833,466
Buildings	1,450,365	382	-	2,562	20,913	1,474,222
Machinery, plant and equipment	3,813,432	10,189	(7,344)	17,231	103,487	3,936,995
Vehicles	18,166	19	(2,104)	-	533	16,614
Furniture and fixtures	210,935	2,625	(8,512)	6,096	5,398	216,542
Leasehold improvements	54,222	55	-	-	50	54,327
Other property, plant and equipment	32	23	-	-	-	55
Construction in progress	179,153	61,878	(246)	(25,889)	150	215,046
	6,562,411	75,171	(18,206)	-	127,891	6,747,267

Accumulated depreciation	1 January 2022	Charge for the Period	Disposal	Transfer	Foreign Currency Translation Differences	31 March 2022
Buildings	(748,130)	(10,348)	-	(1,333)	(12,725)	(772,536)
Machinery, plant and equipment	(1,980,546)	(59,739)	3,140	1,333	(65,346)	(2,101,158)
Vehicles	(16,450)	(301)	2,104	-	(464)	(15,111)
Furniture and fixture	(138,206)	(5,384)	8,389	-	(3,481)	(138,682)
Leasehold improvements	(38,154)	(1,010)	-	-	(37)	(39,201)
Other property, plant and equipment	(32)	(1)	-	-	-	(33)
	(2,921,518)	(76,783)	13,633	-	(82,053)	(3,066,721)
Net Value	3,640,893					3,680,546

As of 31 March 2022, the Group has not made any lease purchases in the three-month period. As of 31 March 2022, there are no tangible assets subject to mortgage or pledge.

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11. TANGIBLE ASSETS (continued)

The estimated useful lives of tangible assets are as follows:

	Useful Life
Buildings	25 – 50 years
Machinery, plant and equipment	4 – 20 years
Vehicles	4 – 10 years
Other tangible assets	4 – 10 years
Furniture and fixtures	3 – 10 years
Leasehold improvements	During rent period

The Group has chosen the revaluation model, one of the application methods in TMS 16, in order to present the lands and buildings at their fair values. The related assets were revalued using the "peer comparison method" on January 29, 2021, and the studies were carried out by the valuation company, Nova Taşınmaz Değerleme ve Danışmanlık A.Ş., authorized by the CMB carried out by land and buildings are reflected in the consolidated financial statements as of 31 December 2020, based on their fair values stated in the valuations. The frequency of revaluations depends on changes in the fair value of the subject asset. If the fair value of the revalued asset differs significantly from its carrying value, the asset is revalued. In the absence of such a situation, the relevant asset is revalued at certain periods. The Group has evaluated that there is no significant change in the fair value of the assets in the current period.

12. GOODWILL

	31 March 2023	31 March 2022
Opening balance	1,122,211	896,538
Foreign currency translation difference	58,433	60,579
Closing balance	1,180,644	957,117

Breakdown of goodwill is as follows:

Company	31 March 2023	31 December 2022
UI Mena B.V.	1,135,690	1,079,482
IBC	44,954	42,729
	1,180,644	1,122,211

UI Mena B.V.

Yıldız Holding A.Ş. As of November 3, 2014, it acquired the United Biscuits group. The goodwill amount carried by Yıldız Holding regarding UI MENA in its financial statements has been transferred to Ülker Bisküvi consolidated financial statements by restating the previous periods' consolidated financial statements.

International Biscuits Company

Yıldız Holding A.Ş. As of November 3, 2014, it acquired the United Biscuits group. The goodwill amount carried by Yıldız Holding regarding International Biscuits Company in its financial statements has been transferred to Ülker Biscuits consolidated financial statements by restating the previous periods' consolidated financial statements.

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13. INTANGIBLE ASSETS

Movements of intangible assets between 1 January – 31 March 2023 are as follows:

Cost	1 January 2023	Addition	Transfer	Foreign currency translation differences	31 March 2023
Rights (*)	923,383	215	(348)	23,022	946,272
Other	21,275	504	160	178	22,117
	944,658	719	(188)	23,200	968,389

Accumulated amortization	1 January 2023	Charge for the period	Transfer	Foreign currency translation differences	31 March 2023
Rights	(31,726)	(606)	-	2,436	(29,896)
Other	(17,457)	(661)	-	(348)	(18,466)
	(49,183)	(1,267)	-	2,088	(48,362)
Net Book Value	895,475				920,027

Movements of intangible assets between 1 January – 31 March 2022 are as follows:

Cost	1 January 2022	Addition	Disposal	Foreign currency translation differences	31 March 2022
Rights (*)	675,632	278	(4)	58,514	734,420
Other	14,825	104	(4)	950	15,875
	690,457	382	(8)	59,464	750,295

Accumulated amortization	1 January 2022	Charge for the period	Disposal	Foreign currency translation differences	31 March 2022
Rights	(28,760)	(260)	4	932	(28,084)
Other	(10,393)	(1,022)	4	(727)	(12,138)
	(39,153)	(1,282)	8	205	(40,222)
Net Book Value	651,304				710,073

(*) As of 31 March 2023, TL 762,068 thousand (31 March 2022: TL 582,381 thousand) of Rights consists of distributorship agreements for the products within the Group in Saudi Arabia, and Rana brand rights amounting to TL 141,961 thousand (31 March 2022: TL 115,084 thousand). Reclaimed rights are not amortized and have an indefinite life, but are tested for impairment at more frequent intervals each year or when changes in circumstances indicate that their value may have decreased. As of 31 March 2023, there is no impairment.

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13. INTANGIBLE ASSETS (continued)

Items of intangible assets are amortized on a straight-line basis over their useful lives.

	Useful Life
Rights	2 years - Indefinite life
Other intangible assets	2 - 12 years

14. OTHER PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

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

	31 March 2023			31 December 2022		
	TL	USD	EUR	TL	USD	EUR
A) CPM's given in the name of own legal personality (*)	275,008	25,354	337	275,569	25,354	337
B) CPM's given on behalf of the fully consolidated companies	-	-	174,750	-	-	174,750
C) CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D) Total amount of other CPM's given						
i. Total amount of other CPM's given on behalf of 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	-	-	-	-	-	-
	275,008	25,354	175,087	275,569	25,354	175,087

(*) 129 million Turkish Liras and 5,8 million USD of the balance are related to non-cash risks.

(**) The ratio of other CPMs given by the Group to the equity of the parent company is zero as of 31 March 2023 (31 December 2022: zero).

The ultimate parent of the company, Yıldız Holding A.Ş. and some Yıldız Holding Group companies, including Ülker Bisküvi's subsidiaries, Yıldız Holding A.Ş. and Yıldız Holding Group companies have signed syndicated loan agreements with some of the "Lenders" of their creditors.

As of 8 June 2018, Ülker Bisküvi subsidiaries' cash amounting to TL 592,7 million, EUR 10,1 million and USD 19,5 million, non-cash bank loans amounting to TL 140,1 million, USD 57 million and EUR 383 thousand, syndication together with Yıldız Holding A.Ş. level has been raised. There was no increase in the total debt burden of Ülker Bisküvi's subsidiaries due to the syndication loan. Ülker Bisküvi's subsidiaries became the guarantors of Yıldız Holding A.Ş. as of the date of loan utilization, limited to the total amount of bank credit risk to their respective banks.

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15. REVENUE AND COST OF SALES

The detail of operating income is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Domestic sales (*)	11,693,297	6,608,501
Export sales	1,772,991	1,192,202
Sales returns and discounts (-)	(3,354,532)	(1,914,685)
Revenue	10,111,756	5,886,018
Cost of merchandises sold	(6,337,106)	(3,979,348)
Cost of trade goods sold	(303,694)	(57,580)
Cost of sales	(6,640,800)	(4,036,928)
Gross Profit	3,470,956	1,849,090

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

16. EXPENSES BY NATURE

The detail of operating expenses is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
General Administrative Expenses		
Personnel expenses	(79,509)	(61,089)
Operating expenses	(82,069)	(47,212)
Consultancy expenses	(11,981)	(10,616)
Depreciation and amortization expenses	(3,056)	(2,397)
Other	(34,373)	(11,482)
	(210,988)	(132,796)
Marketing expenses		
Marketing operating expenses	(788,745)	(421,698)
Personnel expenses	(147,387)	(86,398)
Rent expenses	(13,356)	(10,509)
Depreciation and amortization expenses	(1,828)	(1,711)
Other	(40,632)	(16,934)
	(991,948)	(537,250)
Research and Development Expenses		
Personnel expenses	(21,543)	(7,740)
Materials used	(8,207)	(1,632)
Depreciation and amortization expenses	(300)	(196)
Other	(9,834)	(2,916)
	(39,884)	(12,484)

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17. FINANCIAL INCOME

	1 January- 31 March 2023	1 January- 31 March 2022
Foreign exchange gains	128,350	27,494
Other	721	725
	129,071	28,219

18. FINANCIAL EXPENSES

	1 January- 31 March 2023	1 January- 31 March 2022
Foreign exchange losses from financing	(852,602)	(1,616,587)
Interest expenses	(569,961)	(389,738)
Other	(42,701)	(18,760)
	(1,465,264)	(2,025,085)

19. TAX ASSET AND LIABILITIES

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with IFRS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with IFRS, and these differences are stated below.

The Law No. 7316 on the Collection 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, 23% tax rate will be taken into account for the period of 1 January-31 December 2022. Although the temporary 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 made by considering the 23% rate over the cumulative corporate tax base of the entire year for 2022. For the year 2023; taxation will be made by considering the rate of 20% over the corporate tax base.

The tax rates used in the calculation of the Group's deferred tax assets and liabilities are 20% in Turkey (2022: 20%), 20% for its subsidiaries in Saudi Arabia and Kazakhstan (2022: 20%), subsidiaries in Egypt. 22.5% for its subsidiaries (2022: 22.5%), 10% for its subsidiary located in Kyrgyzstan (2022: 10%), zero for its subsidiary located in the United Arab Emirates (2022: zero)

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19. TAX ASSET AND LIABILITIES (continued)

Timing differences that form the basis for deferred tax:

	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Amortization differences of property, plant and equipment and intangible assets	-	-	1,265,106	1,195,251
Investment properties valuation differences	-	-	2,203,614	2,153,260
Profit margin on inventories	(35,968)	(48,541)	-	-
Provision for severance pay	(647,166)	(611,798)	-	-
Provision of doubtful receivables	(24,779)	(31,045)	-	-
Prior years' losses	(4,593,191)	(4,771,583)	-	-
Provision for lawsuits	(8,843)	(8,639)	-	-
Inventory impairment	(63,244)	(62,535)	-	-
Derivative instruments	-	-	607,415	723,116
Provision for unused vacation	(63,364)	(56,741)	-	-
Other	(458,779)	(79,940)	50,840	157,775
	<u>(5,895,334)</u>	<u>(5,670,822)</u>	<u>4,126,975</u>	<u>4,229,402</u>

Deferred tax calculated on timing differences that form the basis of deferred tax is as follows:

	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Amortization differences of property, plant and equipment and intangible assets	-	-	22,628	35,143
Investment properties valuation differences	-	-	105,278	104,521
Profit margin on inventories	(7,194)	(9,708)	-	-
Provision for severance pay	(129,433)	(122,360)	-	-
Provision of doubtful receivables	(4,956)	(6,209)	-	-
Prior years' losses	(919,082)	(954,856)	-	-
Provision for lawsuits	(1,769)	(1,728)	-	-
Inventory impairment	(12,649)	(12,507)	-	-
Derivative instruments	-	-	121,483	144,624
Provision for unused vacation	(12,673)	(11,348)	-	-
Investment incentive	(39,934)	(39,076)	-	-
Other	(91,755)	(15,987)	10,168	31,555
	<u>(1,219,445)</u>	<u>(1,173,779)</u>	<u>259,557</u>	<u>315,843</u>

Movement of Deferred Tax Assets:

	1 January- 31 March 2023	1 January- 31 March 2022
Opening balance	(857,936)	(192,942)
Netted tax from funds reflected in equity	(33,918)	6,715
Foreign currency translation differences	(31,910)	(341)
Deferred tax (income)/expense	(36,124)	(178,185)
Closing balance	<u>(959,888)</u>	<u>(364,753)</u>

In the consolidated financial statements for the period ended 31 March 2023, the Group accounted deferred tax assets of TL 4,593,191 thousand for deductible financial losses. (31 December 2022: TL 4,771,583 thousand)

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19. TAX ASSET AND LIABILITIES (continued)

The maturities of the financial losses are as follows:

	31 March 2023	31 December 2022
2025	307,415	295,002
2026	768,230	772,043
2027	3,517,546	3,704,538
	4,593,191	4,771,583

Corporate tax

The Company and its subsidiaries located in Turkey are subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying consolidated financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income is calculated over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial profit and deducting the tax-exempt earnings, non-taxable incomes and other deductions (previous year losses, if any, and investment discounts used if preferred). The tax rate applied on 31 March 2023 is 20% (2022: 23%).

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

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

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

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

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

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19. TAX ASSET AND LIABILITIES (continued)

Income withholding tax

In addition to corporate tax, income tax withholding should be calculated separately on dividends, excluding those distributed to full-fledged corporations and foreign companies' branches in Turkey, which receive dividends in case of distribution and declare these dividends by including them in corporate income. Income tax withholding was applied as 10% in all companies between April 24, 2003 and July 22, 2006. This rate has been applied as 15% as of 22 July 2006, with the Council of Ministers Decision No. 2006/10731. Dividends that are not distributed and added to the capital are not subject to income tax withholding.

As of 31 March 2023 and 31 December 2022, the tax provisions are as follows:

	31 March 2023	31 December 2022
Total tax provision	(283,647)	(680,294)
Prepaid taxes and legal obligations	(258,001)	418,341
Taxation in the balance sheet	(541,648)	(261,953)
	1 January- 31 March 2023	1 January- 31 March 2022
Current year corporate tax expense	283,647	190,297
Deferred tax income	(36,124)	(178,185)
Tax expense in the income statement	247,523	12,112

20. EARNINGS PER SHARE

The weighted average of the Company Shares and profit per unit share calculations for the periods of 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Weighted average number of common stock outstanding	34,200,000	34,200,000
Net profit/(loss) for the period attributable to equity holders of the parent	895,647	(470,705)
Earnings per Share (TL 1 worth shares)	2.62	(1.38)

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21. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	31 March 2023	31 December 2022
Trade receivables	5,602,348	4,100,552
Non-trade receivables	1,362,807	1,194,805
	6,965,155	5,295,357

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

	31 March 2023		31 December 2022	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	-	1,362,807	-	1,194,805
Other Companies Controlled by the Principle Shareholder				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	2,264,214	-	1,685,710	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	2,314,964	-	1,564,375	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	413,111	-	333,828	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	345,841	-	310,826	-
Other	264,218	-	205,813	-
	5,602,348	1,362,807	4,100,552	1,194,805

The Group’s trade receivables from related parties mainly arise from Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Tic A.Ş which make the sale and distrubition of products throughout Turkey.

The detail of payables to related parties is as follows:

	31 March 2023	31 December 2022
Trade payables	918,986	1,079,457
	918,986	1,079,457

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21. RELATED PARTY DISCLOSURES (continued)

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

	31 March 2023	31 December 2022
	Trade	Trade
Principle Shareholder		
Yıldız Holding A.Ş.	366,860	505,932
Other Companies Controlled by the Principle Shareholder		
Kerevitaş Gıda San. ve Tic. A.Ş.	297,421	274,079
United Biscuits (UK) Ltd.	120,526	113,435
Marsa Yağ San. ve Tic. A.Ş.	67,659	50,912
Other	66,520	135,099
	918,986	1,079,457

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

	1 January- 31 March 2023		1 January- 31 March 2022	
	Purchases	Sales	Purchases	Sales
Other Companies Controlled by the Principle Shareholder				
Kerevitaş Gıda San. ve Tic. A.Ş.	442,642	-	454,249	-
Marsa Yağ San. ve Tic. A.Ş.	119,410	-	106,836	-
Adapazarı Şeker Fabrikası A.Ş.	86,760	-	75,554	-
United Biscuits (UK) Ltd.	77,000	5,350	50,533	4,483
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	2,170	272,915	1,368	124,575
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	3,108,242	-	1,718,624
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	2,649,587	-	1,314,549
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	419,934	-	236,457
Other	40,609	139,175	23,871	108,787
	768,591	6,595,203	712,411	3,507,475

The Group mainly acquires raw materials from Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş. and Marsa Yağ San. ve Tic. A.Ş., which produces vegetable oil and margarine. The major part of the Group's sales are made to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. companies that carry out sales and distribution throughout Turkey.

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21. RELATED PARTY DISCLOSURES (continued)

The details of interest, rent and similar other services balances paid to and received from related parties are as follows:

For three months period ended 31 March 2023:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(115)	(240,394)	12,052
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(94,238)	42
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(25,567)	24,157
Most Bilgi Sistemleri Tic. A.Ş.	(1,153)	(23,580)	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	29	(23,294)	4,786
United Biscuits (UK) Ltd.	-	(14,420)	(554)
CCC Gıda San. ve Tic. A.Ş.	-	1.669	-
Other	98	(14,428)	56
	(1,141)	(434,252)	40,539

For three months period ended 31 March 2022:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(264)	(138,609)	85,838
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(53,131)	(211)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(15,925)	29,056
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	21	(13,131)	6,950
Most Bilgi Sistemleri Tic. A.Ş.	(660)	(8,279)	-
United Biscuits (UK) Ltd.	-	(6,935)	(1,398)
Other	75	(8,911)	(1,056)
	(828)	(244,921)	119,179

Benefits provided to members of BOD and key management personnel:

	31 March 2023	31 December 2022
Salaries and other short-term benefits	95,366	28,330
	95,366	28,330

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22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

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

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

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

	31 March 2023				
	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	2,820,256	114,898	27,919	1,590	-
2a. Monetary Financial Assets	9,255,052	482,002	898	145	49
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	390,170	7,454	11,683	71	105
4. CURRENT ASSETS	12,465,478	604,354	40,500	1,806	154
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	12,465,478	604,354	40,500	1,806	154
10. Trade Payables	936,847	34,786	10,419	2,152	119
11. Financial Liabilities	12,174,041	158,464	438,424	-	-
12a. Other Monetary Financial Liabilities	3,278	34	126	-	-
12b. Other Non-monetary Financial Liabilities	6,405	256	55	15	-
13. CURRENT LIABILITIES	13,120,571	193,540	449,024	2,167	119
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	12,552,737	600,176	50,729	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	12,552,737	600,176	50,729	-	-
18. TOTAL LIABILITIES	25,673,308	793,716	499,753	2,167	119
19. Net Assets of Off Statement of Financial Position (19a-19b)	6,539,951	50,000	267,800	-	-
19a. Net Assets of Off Statement of Financial Position	6,539,951	50,000	267,800	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(6,667,879)	(139,362)	(191,453)	(361)	35
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(13,591,595)	(196,560)	(470,881)	(417)	(70)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	594,144	(3,001)	31,261	-	-

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

22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management (continued)

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

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22. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

The export and import amounts realized by the Group as of 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Total exports	1,772,991	1,192,202
Total imports	4,216,805	891,945

Sensitivity to currency risk

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

	31 March 2023		31 March 2022	
	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	(376,475)	376,475	(87,809)	87,809
2- Part of hedged from US risk (-)	95,766	(95,766)	-	-
3- US Dollar net effect (1+2)	(280,709)	280,709	(87,809)	87,809
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	(981,551)	981,551	(537,508)	537,508
5 - Part of hedged from Euro risk (-)	558,229	(558,229)	-	-
6- Euro net effect (4+5)	(423,322)	423,322	(537,508)	537,508
Total (3 + 6)	(704,031)	704,031	(625,317)	625,317

23. FINANCIAL INSTRUMENTS

Classes and fair values of financial instruments

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

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

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

		Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets	31 March 2023			
Financial assets at fair value through profit/loss				
- Held for trading	3,200	2,883	150	167
Financial assets at fair value through comprehensive income statement				
- Long-term financial investments	2,742,214	-	-	2,742,214
- Derivative instruments	634,545	-	634,545	-
Total	3,379,959	2,883	634,695	2,742,381
Financial liabilities				
Financial liabilities at fair value through profit/loss				
- Derivative instruments	(27,128)	-	(27,128)	-
Total	(27,128)	-	(27,128)	-

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

23. FINANCIAL INSTRUMENTS(continued)

It is anticipated that the book values of trade payables, other payables and loan payables reflect their fair values.

The carrying value of the fixed-rate Eurobonds (Note 5) issued by the Company to be traded on Dublin Euronext, with a nominal value of USD 650.000.000, is TL 1.444.596 thousand below their fair value based on the quoted prices in active markets (Level 1).

24. EVENTS AFTER THE BALANCE SHEET DATE

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