

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND LIMITED AUDIT REVIEW REPORT FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2024
(ORIGINALLY ISSUED IN TURKISH)

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“TL”) unless otherwise stated)

		Reviewed Current Period 31 March 2024	Audited Prior Period 31 December 2023
ASSETS	Notes		
Current Assets		43,524,184	42,558,874
Cash and Cash Equivalents	4	12,662,493	13,413,222
Financial Investments	5	4,594	4,867
Trade Receivables			
- Trade Receivables from Related Parties	7,21	10,225,914	7,747,458
- Trade Receivables from Third Parties	7	6,130,930	6,137,052
Other Receivables			
- Other Receivables from Related Parties	8,21	2,143,005	2,295,897
- Other Receivables from Third Parties	8	719,486	194,275
Derivative Instruments	9	716,247	682,017
Inventories	10	8,999,055	9,655,297
Prepaid Expenses			
- Prepaid Expenses to Third Parties		756,766	860,567
Current Income Tax Assets	19	153,988	174,789
Other Current Assets		1,011,706	1,393,433
Non-Current Assets		26,729,474	28,308,407
Financial Investments	5	4,396,115	4,613,634
Property, Plant and Equipment	11	18,307,403	18,725,831
Intangible Assets			
- Goodwill	12	2,029,258	2,149,781
- Other Intangible Assets	13	1,556,256	1,633,387
Prepaid Expenses		195,314	254,836
Deferred Tax Asset	19	245,128	930,938
TOTAL ASSETS		70,253,658	70,867,281

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 ("TL") unless otherwise stated)

	Notes	Reviewed Current Period 31 March 2024	Audited Prior Period 31 December 2023
LIABILITIES			
Current Liabilities		17,102,472	17,774,449
Short-Term Borrowings	6	1,668,098	1,311,938
Short-Term Portion of Long-Term Borrowings	6	4,770,280	4,971,282
Trade Payables			
- Trade Payables to Related Parties	7,21	1,799,868	2,635,103
- Trade Payables to Third Parties	7	5,146,613	6,150,071
Payables Related to Employee Benefits		665,329	327,860
Other Payables			
- Other Payables to Third Parties	8	5,639	6,131
Derivative Instruments	9	10,385	-
Deferred Income		92,102	93,058
Current Income Tax Liabilities	19	663,934	577,906
Short-Term Provisions			
- Short-Term Provisions for Employee Benefits		532,785	600,272
- Other Short-Term Provisions		1,199,525	619,703
Other Current Liabilities		547,914	481,125
Non-Current Liabilities		29,664,747	30,307,964
Long-Term Borrowings	6	27,876,010	28,883,952
Long-Term Provisions			
- Provisions for Employee Benefits		1,281,941	1,187,990
Deferred Tax Liability	19	506,796	236,022
SHAREHOLDERS' EQUITY		23,486,439	22,784,868
Equity Attributable To Equity Holders' of the Parent		21,407,330	20,678,581
Paid-in Capital		369,276	369,276
Share Capital Adjustment Differences		6,946,858	6,946,858
Share Premium		3,837,441	3,837,441
Effect of Business Combinations Under Common Control		(18,942,304)	(18,942,304)
Accumulated Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Losses on Remeasurement of Defined Benefit Plan		(777,194)	(666,752)
- Increases on Revaluation of Plant, Property and Equipment		2,436,955	2,336,898
- Earnings from Investments in Equity Financial Instruments		2,105,324	2,327,413
Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss			
- Foreign Currency Translation Differences		(1,001,506)	(403)
- Cash Flow Hedging (Losses)		(1,194,255)	(989,274)
Restricted Reserves Appropriated from Profit		1,758,162	1,758,162
Prior Years' Profit		23,701,266	19,813,407
Net Profit for the Period		2,167,307	3,887,859
Non-Controlling Interests		2,079,109	2,106,287
TOTAL LIABILITIES AND EQUITY		70,253,658	70,867,281

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIODS ENDED 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 ("TL") unless otherwise stated)

	Notes	Reviewed Current Period 1 January- 31 March 2024	Reviewed Prior Period 1 January- 31 March 2023
Revenue	15	19,600,936	17,346,855
Cost of Sales(-)	15	(13,335,894)	(12,015,237)
GROSS PROFIT		6,265,042	5,331,618
General Administrative Expenses (-)	16	(481,297)	(358,757)
Marketing Expenses (-)	16	(2,040,865)	(1,692,145)
Research and Development Expenses (-)	16	(77,614)	(69,459)
Other Operating Income		1,351,312	403,661
Other Operating Expenses (-)		(827,271)	(360,722)
OPERATING PROFIT		4,189,307	3,254,196
Income from Investment Activities		1,328,192	894,346
Expenses from Investment Activities (-)		(3,780)	(61,499)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		5,513,719	4,087,043
Financial Income	17	13,946	226,139
Financial Expenses (-)	18	(3,215,358)	(2,516,935)
Net Monetary Gain		1,316,188	1,427,800
PROFIT BEFORE TAX FROM OPERATIONS		3,628,495	3,224,047
Tax (Expense)		(1,147,412)	(733,833)
Current Tax Expense (-)	19	(204,028)	(489,114)
Deferred Tax Expense (-)	19	(943,384)	(244,719)
PROFIT FOR THE PERIOD		2,481,083	2,490,214
Distribution of the Profit for the Period			
Non-Controlling Interest		313,776	264,361
Equity Holders of the Parent		2,167,307	2,225,853
Earnings Per Share	20	5.87	6.03

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“TL”) unless otherwise stated)

	Reviewed Current Period 1 January- 31 March 2024	Reviewed Prior Period 1 January- 31 March 2023
PROFIT FOR THE PERIOD	2,481,083	2,490,214
OTHER COMPREHENSIVE INCOME		
Not to be Reclassified To Profit or Loss	(234,566)	(626,844)
(Losses) on Remeasurement of Defined Benefit Plans	(145,571)	(254,438)
(Losses) from Investments in Equity Financial Instruments	(274,297)	(460,430)
Taxes on Other Comprehensive Income That will not be Reclassified to Profit or Loss		
(Losses) on Remeasurement of Defined Benefit Plans, Tax Effect	37,971	65,002
Property, Plant and Equipment Revaluation Increases Tax Effect	95,123	-
(Losses) from Investments in Equity Financial Instruments, Tax Effect	52,208	23,022
Items to be Reclassified to Profit or Loss	(1,544,946)	(929,156)
Foreign Currency Translation Differences	(1,339,965)	(889,473)
(Losses) on Cash Flow Hedges	(273,308)	(49,602)
Taxes on Other Comprehensive Income That will be Reclassified to Profit or Loss		
(Losses) on Cash Flow Hedges, Tax Effect	68,327	9,919
OTHER COMPREHENSIVE (LOSS)	(1,779,512)	(1,556,000)
TOTAL COMPREHENSIVE INCOME	701,571	934,214
Distribution of Total Comprehensive Income		
Non-Controlling Interests	(27,178)	(32,812)
Equity Holders of the Parent	728,749	967,026

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 MARCH 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 ("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
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	Paid-in Capital	Share Capital Adjustment Differences	Share Premium	Effect of Business Combinations Under Common Control	Foreign Currency Translation Differences	Cash Flow Hedge (Losses)/Gains	Revaluation value increase funds of Property Plant and Equipment	Losses 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 2023	342,000	6,937,985	-	(17,570,375)	(1,225,325)	68,637	2,071,948	(439,359)	2,231,303	1,618,675	1,133,139	18,680,268	13,848,896	4,150,642	17,999,538
Transfers	-	-	-	-	-	-	-	-	-	-	(1,133,139)	1,133,139	-	-	-
Total Comprehensive Income	-	-	-	-	(607,246)	(39,681)	-	(177,854)	(434,046)	-	2,225,853	-	967,026	(32,812)	934,214
As of 31 March 2023	342,000	6,937,985	-	(17,570,375)	(1,832,571)	28,956	2,071,948	(617,213)	1,797,257	1,618,675	2,225,853	19,813,407	14,815,922	4,117,830	18,933,752
As of 1 January 2024	369,276	6,946,858	3,837,441	(18,942,304)	(403)	(989,274)	2,336,898	(666,752)	2,327,413	1,758,162	3,887,859	19,813,407	20,678,581	2,106,287	22,784,868
Transfers	-	-	-	-	-	-	-	-	-	-	(3,887,859)	3,887,859	-	-	-
Total Comprehensive Income	-	-	-	-	(1,001,103)	(204,981)	100,057	(110,442)	(222,089)	-	2,167,307	-	728,749	(27,178)	701,571
As of 31 March 2024	369,276	6,946,858	3,837,441	(18,942,304)	(1,001,506)	(1,194,255)	2,436,955	(777,194)	2,105,324	1,758,162	2,167,307	23,701,266	21,407,330	2,079,109	23,486,439

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“TL”) unless otherwise stated)

	<u>Notes</u>	Reviewed Current Period 1 January- 31 March 2024	Reviewed Prior Period 1 January- 31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		2,481,083	2,490,214
Adjustments to Reconcile Net Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of property, plant and equipment	11	371,116	358,327
Amortization expenses of intangible assets	13	5,886	2,509
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	7	(1,865)	(9,764)
Financial investment value (increase)/decrease		(376)	3,050
Provision for inventory impairment	10	2,310	13,124
Adjustments Related to Provisions			
Adjustments Related to Provisions (Reversals) for Employee Benefits			
Provision for employment termination benefits		125,043	107,121
Unused vacation accrual		79,643	76,965
Performance premium accrual		136,008	244,367
Adjustments Related to Provisions (Reversals) for Lawsuits and/or Penalties		-	352
Adjustments Related to Other Provisions (net)		581,200	1,033,185
Adjustments Related to Interest (Income) and Expenses			
Interest (income)		(213,588)	(392,406)
Interest expenses	18	1,082,878	1,002,207
Adjustments Related to Tax Expenses	19	1,147,412	733,833
Adjustments Related to (Gains) on Disposals of Non-Current Assets			
Adjustments related to (gains) arising from sale of property, plant and equipment		(525)	(1,456)
Adjustments Related to Other Items That Cause Cash Flows Arising from Investment or Financing Activities			
Change in foreign currency from financial liabilities(net)		2,043,100	1,244,561
Change in foreign currency from investing activities (net)		(1,101,557)	(433,997)
Commission expenses and financial income (net)		75,434	44,028
Other Adjustments to Reconcile Profit/(Loss)			
Rent income		(8,366)	(8,039)
Adjustments related to monetary (gains)		(1,224,766)	(927,535)
Net cash before changes in assets and liabilities		<u>5,580,070</u>	<u>5,580,646</u>

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 MARCH 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“TL”) unless otherwise stated)

	Notes	Reviewed Current Period 1 January- 31 March 2024	Reviewed Prior Period 1 January- 31 March 2023
Changes in Working Capital			
(Increase) in trade receivables		(795,447)	(1,054,901)
(Increase) in receivables from related parties		(3,492,719)	(2,530,457)
(Increase) in inventories		(600,478)	(918,050)
(Increase) in other receivables and other assets		(336,835)	(378,400)
(Decrease) in trade payables		(757,151)	(237,664)
(Decrease) in payables to related parties		(490,259)	(270,386)
Increase in other payables and liabilities		351,735	527,285
Cash (used in)/generated from activities		(541,084)	718,073
Payments related to provisions for employee benefits			
Employment termination benefit paid		(47,996)	(240,305)
Unused vacation paid		(18,305)	(54,404)
Performance premium paid		(208,830)	(167,981)
Taxes paid		(97,199)	(66,684)
Cash (used in)/generated from operating activities		(913,414)	188,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from sales of property, plant and equipment and intangible assets		2,093	33,074
Cash outflows from purchase of property, plant and equipment		(268,098)	(286,858)
Cash outflows from purchase of intangible assets	13	(4,004)	(1,318)
Changes in non-trade receivables from related parties		(147,677)	(283,076)
Interest received		213,588	392,406
Other cash advances given and payables		26,161	186,587
Cash inflow from the purchase of shares or debt instruments of other businesses or funds		-	402,810
Cash outflows from the purchase of shares or debt instruments of other businesses or funds		(11,326)	(19,586)
Cash generated from leases		8,366	8,039
Net cash (used in)/generated from investing activities		(180,897)	432,078
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		1,385,227	1,163,274
Repayments of borrowings		(970,447)	(886,655)
Interest paid		(72,482)	(105,284)
Commission paid		(75,434)	(44,028)
Net cash generated from financing activities		266,864	127,307
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(1,756,000)	(1,952,614)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		1,832,718	274,107
NET CHANGE IN CASH AND CASH EQUIVALENTS		(750,729)	(930,423)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	13,413,222	17,546,581
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	12,662,493	16,616,158

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“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 thirteen subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2023: Thirteen).

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 (Former name: Istanbul Stock Exchange (“ISE”)) 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 2024, the total number of people employed by the Group is 10,154, which contains 2,363 employees who worked as subcontractors (31 December 2023: 9,794, subcontractor: 2,172).

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

As of 31 March 2024 and 31 December 2023, 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 2024		31 December 2023	
	Share Amount	Share Percentage	Share Amount	Share Percentage
pladis Foods Limited	174,420	47.23%	174,420	47.23%
Other	194,856	52.77%	194,856	52.77%
	369,276	100%	369,276	100%

As of 31 March 2024 and 31 December 2023, 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 2024		31 December 2023		Nature of Operations
	Ratio of Direct Ownership	Ratio of Direct Effective	Ratio of Direct Ownership	Ratio of Direct Effective	
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 B.V.	100.0%	100.0%	100.0%	100.0%	Investing
Pladis Gulf FZE	-	100.0%	-	100.0%	Sales
Ulker for Trading and Marketing	-	99.8%	-	99.8%	Sales
International Biscuits Company	100.0%	100.0%	100.0%	100.0%	Manufacturing/Sales
Önem Gıda Sanayi ve Ticaret A.Ş.	100.0%	100.0%	100.0%	100.0%	Manufacturing/Sales

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 (“TL”) unless otherwise stated)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont’d)

Approval of consolidated financial statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 29 May 2024. The General Assembly has the authority to amend/modify the financial statements.

2. BASIS OF PRESENTATION OF CONDENSED 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, the financial statements have been prepared in accordance with the “Announcement on TFRS Taxonomy” published by POA and the resolution of CMB about the Illustrations of Financial Statements and Application Guidance published on 4 October 2022.

The consolidated financial statements and notes of the Group have been presented in accordance with the formats announced by the Capital Markets Board (SPK) on 7 June, 2013, and include the required information.

The Company and Subsidiaries in Türkiye 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, derivatives, financial assets and financial liabilities which are carried at fair value.

The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2023.

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.

Financial Reporting in Hyperinflationary Economies

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period beginning on or after 31 December 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in the prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as at 31 March 2023, 31 December 2023 in terms of the purchasing power of the currency as at 31 March 2024.

In accordance with the CMB's resolution No: 81/1820 dated 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 ("TL") unless otherwise stated)

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

2.1 Basis of the Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies

The financial statements dated March 31, 2024, have been presented are adjusted for the inflation effect in accordance with the accounting principles specified in TAS 29.

The table below includes the inflation rates calculated based on the Consumer Price Index published by the Turkish Statistical Institute ("TÜİK") for the relevant periods:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2024	2,139.47	1.00000	211%
31.12.2023	1,859.38	1.15063	268%
31.03.2023	1,269.75	1.68495	152%

The main components of the Group's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The consolidated financial statements for the current period presented in TL are expressed in terms of the purchasing power of TL at the balance sheet date and the amounts for the previous reporting periods are adjusted and expressed in accordance with the purchasing power of TL at the end of the reporting period.
- Monetary assets and liabilities are not adjusted since they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted carrying amounts of non-monetary items exceed their recoverable amounts or net realisable
- Non-monetary assets, liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted by using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for the effect of non-monetary items in the balance sheet on the statement of comprehensive income, have been adjusted by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognised in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognised in the gain/(loss) on net monetary position in the consolidated income statement.

Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

2.1 Basis of the Presentation (cont’d)

Basis of Consolidation (cont’d)

Inter-Group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

(b) Changes in ownership interests in subsidiaries without change of control

Changes in the Group’s ownership interests in subsidiaries that do not result in the loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recorded directly in equity as the Group’s share.

(c) Loss of subsidiary control

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 New and Amended Turkish Accounting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

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

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

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

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

2.2 New and Amended Turkish Accounting Standards (cont'd)

a) Amendments that are mandatorily effective from 2024(cont'd)

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

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

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.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSR

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

2.2 New and Amended Turkish Accounting Standards (cont’d)

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</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 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

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.

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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 Türkiye) and international operations within the scope of TFRS 8. Accordingly, the information for the periods 1 January - 31 March 2024 and 1 January - 31 March 2023 is presented below.

	<u>Domestic</u>	<u>International</u>	<u>1 January- 31 March 2024</u>
Revenue	13,416,966	6,183,970	19,600,936
Gross Profit	3,755,823	2,509,219	6,265,042
Operating Profit (*)	2,333,517	1,331,749	3,665,266
EBITDA (**)	2,581,608	1,460,660	4,042,268
EBITDA/Revenue	19.24%	23.62%	20.62%
Capital expenditures	227,412	39,830	267,242

	<u>Domestic</u>	<u>International</u>	<u>1 January- 31 March 2023</u>
Revenue	11,477,348	5,869,507	17,346,855
Gross Profit	3,194,768	2,136,850	5,331,618
Operating Profit (*)	2,037,593	1,173,664	3,211,257
EBITDA (**)	2,259,992	1,312,101	3,572,093
EBITDA/Revenue	19.69%	22.35%	20.59%
Capital expenditures	129,777	150,210	279,987

(*) Profit before other operating 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 2024	31 December 2023
Cash on hand	567	837
Demand bank deposits	2,998,060	2,526,580
Time bank deposits	9,697,173	10,928,176
Provision for expected credit losses	(33,307)	(42,371)
	12,662,493	13,413,222

The details of time deposits are as follows:

Currency Type	Interest Rate (%)	Maturity	31 March 2024
TL	45.08%	April 2024	1,390,303
USD	3.92%	April 2024	6,456,897
EUR	2.72%	April 2024	1,330,545
EGP	19.40%	April 2024	141,838
SAR	5.50%	April 2024	328,762
KZT	11.00%	April 2024	48,828
			9,697,173

Currency Type	Interest Rate (%)	Maturity	31 December 2023
TL	40.77%	January 2024	1,907,116
USD	4.21%	January 2024	6,954,550
EUR	2.69%	January 2024	1,472,921
EGP	15.21%	January 2024	218,575
SAR	5.83%	January 2024	346,767
KZT	11.00%	January 2024	28,247
			10,928,176

5. FINANCIAL INVESTMENTS

Short Term Financial Investments	31 March 2024	31 December 2023
Financial assets measured at fair value through profit or loss	4,594	4,867
	4,594	4,867

Long Term Financial Investments	31 March 2024	31 December 2023
Financial assets measured at fair value through other comprehensive income (*)	4,396,115	4,613,634
	4,396,115	4,613,634

Financial Assets at Fair Value through Other Comprehensive Income	31 March 2024	31 December 2023
G New, Inc	1,275,132	1,337,822
Godiva Belgium BVBA	2,895,472	3,037,823
Other	225,511	237,989
	4,396,115	4,613,634

(*) Investments based on non-controlling interests where the Group does not have significant influence are classified as financial investments reflecting the fair value difference in other comprehensive income. The tax after the difference attributable to the parent company, amounting to TL 2,105,324 thousand as of 31 March 2024, has been accounted within equity.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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6. FINANCIAL LIABILITIES

	<u>31 March 2024</u>	<u>31 December 2023</u>
Short term borrowings	1,668,098	1,311,938
Short term portions of long-term borrowings	4,770,280	4,971,282
Long term borrowings	27,876,010	28,883,952
	<u>34,314,388</u>	<u>35,167,172</u>
<u>Other Short Term Borrowings</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Letter of credit	1,668,098	1,311,938
	<u>1,668,098</u>	<u>1,311,938</u>
<u>Short Term Portion of Long-Term Borrowings</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Bank loans	3,345,172	3,505,074
Issued debt instruments (*)	1,423,746	1,464,807
Financial lease payables	1,362	1,401
	<u>4,770,280</u>	<u>4,971,282</u>
<u>Long Term Borrowings</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Bank loans	10,078,163	10,572,236
Issued debt instruments (*)	17,796,852	18,310,110
Financial lease payables	995	1,606
	<u>27,876,010</u>	<u>28,883,952</u>

(*) 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%.

In order to refinance the syndicated and EBRD loans maturing on 20 April 2023, the Group has obtained a 3-year syndicated and EBRD loan with the participation of 6 international banks. The tranches of the loan utilized consist of a murabaha loan amounting to EUR 25 million and USD 10 million, a conventional loan amounting to USD 25 million and EUR 171 million and a conventional loan signed with EBRD amounting to EUR 75 million. This loan is the Group's first sustainability related loan and was used to close the syndicated and EBRD loan amounting to USD 457 million which matured in April 2023. The covenants of the related loans are as follows:

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 3.5:1.
- 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.)

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6. FINANCIAL LIABILITIES(cont'd)

Borrowings:

31 March 2024

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	April 2024-October 2025	28.00%	1,363	994
USD	April 2024-April 2026	8.48%	1,565,172	18,847,109
EUR	April 2024-April 2026	11.54%	4,508,951	8,799,729
EGP	April 2024-December 2024	10.96%	74,488	-
KZT	April 2024-January 2026	11.02%	288,404	228,178
			6,438,378	27,876,010

31 December 2023

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short Term</u>	<u>Long Term</u>
TL	January 2024-October 2025	28.00%	1,403	1,606
USD	April 2024-April 2026	8.48%	1,608,514	19,377,304
EUR	April 2024-April 2026	11.54%	4,298,097	9,210,844
EGP	February 2024-December 2024	10.92%	69,996	-
KZT	January 2024-January 2026	11.01%	305,210	294,198
			6,283,220	28,883,952

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

	<u>31 March 2024</u>	<u>31 December 2023</u>
To be paid within 1 year	4,768,918	4,969,881
To be paid within 1-2 years	19,053,817	19,643,877
To be paid within 2-3 years	8,821,198	9,238,469
	32,643,933	33,852,227

Short-Term Portion of Long-Term

Financial Lease Liabilities

	<u>31 March 2024</u>	<u>31 December 2023</u>
Financial lease liabilities	2,158	2,495
Costs of deferred lease liabilities (-)	(796)	(1,094)
	1,362	1,401

Long-Term Financial Lease Liabilities

	<u>31 March 2024</u>	<u>31 December 2023</u>
Financial lease liabilities	1,137	1,929
Costs of deferred lease liabilities (-)	(142)	(323)
	995	1,606

The repayment terms of financial leasing debts are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
To be paid within 1 year	1,362	1,401
To be paid within 1-2 years	995	1,606
	2,357	3,007

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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7. TRADE RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Trade Receivables from Related Parties		
Trade receivables from related parties (Note 21)	10,225,914	7,747,458
	10,225,914	7,747,458
Other Trade Receivables		
Trade receivables	6,193,272	6,207,151
Provision for expected credit losses	(62,342)	(70,099)
	6,130,930	6,137,052
Total Short-Term Trade Receivables	16,356,844	13,884,510

The movement table of provisions for doubtful receivables for the periods 31 March 2024 and 2023 as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Opening balance	(70,099)	(62,424)
Charge for the period	(4,304)	(1,997)
Cancelled provision amount	6,169	11,761
Inflation effect	9,022	6,925
Foreign currency translation differences	(3,485)	(303)
Collections	355	-
Closing balance	(62,342)	(46,038)

	31 March 2024	31 December 2023
Short-Term Trade Payables		
Trade payables to related parties (Note 21)	1,799,868	2,635,103
Trade payables	5,146,613	6,150,071
	6,946,481	8,785,174

8. OTHER RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Other Receivables		
Non-trade receivables from related parties (Note 21)	2,143,005	2,295,897
Short-term other receivables	719,486	194,275
	2,862,491	2,490,172
Other Short-Term Receivables		
VAT Receivables	648,727	152,320
Deposits and guarantees given	53,167	26,269
Receivables from personnel	8,945	9,045
Other	8,647	6,641
	719,486	194,275

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8. OTHER RECEIVABLES AND PAYABLES(cont'd)

Other Payables	31 March 2024	31 December 2023
Other short-term payables	5,639	6,131
	5,639	6,131
Other Short-Term Payables	31 March 2024	31 December 2023
Deposits and guarantees received	800	935
Other payables	4,839	5,196
	5,639	6,131

9. DERIVATIVE INSTRUMENTS

In order to hedge the currency risk in parallel with the repayment schedule of the syndicated loan amounting to EUR 196,219.265 and the EBRD loan amounting to EUR 75,000,000 used on 20 April 2023, the Group carried out a Cross Currency Fixed Interest Swap transaction worth a total of EUR 150,000,000 on 23 March 2023, 4 April 2023, 15 June 2023 and 10 July 2023. In order to hedge against exchange rate risk in line with the payment plan of the USD 650,000,000 bond issued on 30 October 2020, with a maturity of 5 years, coupon payment every 6 months, principal and coupon payment at the end of maturity, and a fixed annual interest rate of 6.95%, the Group carried out a Cross Currency Fixed Interest Swap transaction worth a total of USD 100,000,000 on 22 March 2023 and 5 April 2023. These transactions are associated with cash flow hedging purposes in the accompanying consolidated financial statements.

As of 31 March 2024 and 31 December 2023, derivative instruments are as follows:

	31 March 2024		31 December 2023	
	Contract Amount	Fair Value Asset/(Liability)	Contract Amount	Fair Value Asset
For hedging purposes				
Cross Currency Fixed				
Rate Swaps	8,448,885	716,247	9,009,372	671,817
Forward Transactions	2,363,171	(10,385)	2,230,620	10,200
Total Asset / (Liability)	10,812,056	705,862	11,239,992	682,017

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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10. INVENTORIES

Details of inventory are as follows;

	31 March 2024	31 December 2023
Raw materials	6,048,080	5,973,757
Work in progress	325,222	318,622
Finished goods	2,039,676	2,731,822
Trade goods	329,956	356,822
Other inventories	406,686	425,593
Allowance for impairment on inventory (-)	(150,565)	(151,319)
	8,999,055	9,655,297

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 2024 and 2023 are as follows;

	1 January- 31 March 2024	1 January- 31 March 2023
Opening balance	(151,319)	(123,324)
Charge for the period	(2,310)	(13,124)
Write-offs	1,495	293
Foreign currency translation differences	1,569	13,741
Closing balance	(150,565)	(122,414)

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11. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment assets between 1 January - 31 March 2024 is as follows:

Cost	1 January 2024	Addition	Disposal	Transfer	Foreign	31 March 2024
					Currency Translation Differences	
Land	6,404,854	-	-	-	(42,351)	6,362,503
Buildings	9,852,407	4,380	-	4,786	(125,357)	9,736,216
Machinery, plant and equipment	21,939,129	52,166	(13,557)	10,450	(387,914)	21,600,274
Vehicles	69,318	-	-	-	(1,593)	67,725
Furniture and fixture	1,000,789	14,492	(937)	666	(33,121)	981,889
Leasehold improvements	405,138	5,140	-	-	(775)	409,503
Other property, plant and equipment	513	-	-	-	-	513
Construction in progress	632,024	187,060	-	(16,355)	(8,453)	794,276
	40,304,172	263,238	(14,494)	(453)	(599,564)	39,952,899

Accumulated depreciation	1 January 2024	Charge	Disposal	Transfer	Foreign	31 March 2024
		for the Period			Currency Translation Differences	
Buildings	(6,318,381)	(69,880)	-	-	37,901	(6,350,360)
Machinery, plant and equipment	(14,127,810)	(274,803)	12,767	-	227,331	(14,162,515)
Vehicles	(56,120)	(1,020)	-	-	1,430	(55,710)
Furniture and fixture	(731,757)	(19,736)	159	-	23,672	(727,662)
Leasehold improvements	(343,911)	(5,671)	-	-	701	(348,881)
Other property, plant and equipment	(362)	(6)	-	-	-	(368)
	(21,578,341)	(371,116)	12,926	-	291,035	(21,645,496)
Net Value	18,725,831					18,307,403

Depreciation and amortization expenses of property, plant and equipment and intangible assets amounted to TL 362,544 thousand (31 March 2023: TL 347,099 thousand) to cost of goods sold, TL 1,422 thousand (31 March 2023: TL 1,255 thousand) to research and development expenses, TL 4,246 thousand (31 March 2023: TL 5,257 thousand) is included in marketing and sales expenses, TL 8,790 thousand (31 March 2023: TL 7,225 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 2024. As of 31 March 2024, there are no property, plant and equipment subject to mortgage or pledge.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

Movement of property, plant and equipment between 1 January - 31 March 2023 is as follows:

Cost	1 January 2023	Additions	Disposal	Transfer	Foreign	31 March 2023
					Currency	
					Translation	
					Differences	
Land	5,280,389	848	-	-	(41,751)	5,239,486
Buildings	6,326,856	3,697	-	(5,877)	(211,713)	6,112,963
Machinery, plant and equipment	21,328,963	65,455	(38,287)	33,229	(495,654)	20,893,706
Vehicles	70,628	2,049	-	325	(2,809)	70,193
Furniture and fixtures	953,379	17,021	(1,907)	(5,348)	(36,221)	926,924
Leasehold improvements	404,219	758	-	-	(1,114)	403,863
Other property, plant and equipment	426	54,390	-	-	(3,378)	51,438
Construction in progress	427,530	134,451	(115)	(22,012)	(15,181)	524,673
	34,792,390	278,669	(40,309)	317	(807,821)	34,223,246

Accumulated depreciation	1 January 2023	Charge for the Period	Disposal	Transfer	Foreign	31 March 2023
					Currency	
					Translation	
					Differences	
Buildings	(3,613,850)	(42,341)	-	(7,953)	87,112	(3,577,032)
Machinery, plant and equipment	(13,205,613)	(284,308)	3,491	7,953	259,755	(13,218,722)
Vehicles	(61,796)	(2,519)	-	4,386	4,337	(55,592)
Furniture and fixture	(669,784)	(17,289)	130	(4,386)	23,929	(667,400)
Leasehold improvements	(323,230)	(5,186)	-	-	93	(328,323)
Other property, plant and equipment	(344)	(6,684)	-	-	-	(7,028)
	(17,874,617)	(358,327)	3,621	-	375,226	(17,854,097)
Net Value	16,917,773					16,369,149

As of 31 March 2023, the Group has not made any lease purchases in the three-month period. As of 31 March 2023, there are no property, plant and equipment subject to mortgage or pledge.

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

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 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 TAS 16 regarding the representation of the lands and buildings with their fair values. Land and buildings were revalued with “peer comparison” and the most appropriate one from” the cost approach” technique on 22 January 2024. The revaluation was performed by Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş. authorized by Capital Markets Board. Properties were accounted on 31 December 2023 financial statements based on their fair values. The frequency of revaluations is related with the changes on the market values of the properties. If there is significant change at the fair value, revaluation is performed. If not, properties are only subject to periodical revaluation

12. GOODWILL

	31 March 2024	31 March 2023
Opening balance	2,149,781	2,127,641
Foreign currency translation difference	(120,523)	(138,311)
Closing balance	2,029,258	1,989,330

Breakdown of goodwill is as follows:

Company	31 March 2024	31 December 2023
UI Mena B.V.	1,951,992	2,067,926
IBC	77,266	81,855
	2,029,258	2,149,781

UI Mena B.V.

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

International Biscuits Company

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

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13. INTANGIBLE ASSETS

Movements of intangible assets between 1 January – 31 March 2024 are as follows:

Cost	1 January 2024	Addition	Disposal	Transfer	Foreign currency translation differences	31 March 2024
	Rights (*)	1,700,207	3,110	-	453	(88,461)
Other	69,452	894	-	-	(1,715)	68,631
	1,769,659	4,004	-	453	(90,176)	1,683,940

Accumulated amortization	1 January 2024	Charge for the period	Disposal	Transfer	Foreign currency translation differences	31 March 2024
	Rights	(74,674)	(4,800)	-	-	12,965
Other	(61,598)	(1,086)	-	-	1,509	(61,175)
	(136,272)	(5,886)	-	-	14,474	(127,684)
Net Book Value	1,633,387					1,556,256

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

Cost	1 January 2023	Addition	Disposal	Transfer	Foreign currency translation differences	31 March 2023
	Rights (*)	1,767,810	371	-	(326)	(110,977)
Other	68,518	947	-	9	(2,744)	66,730
	1,836,328	1,318	-	(317)	(113,721)	1,723,608

Accumulated amortization	1 January 2023	Charge for the period	Disposal	Transfer	Foreign currency translation differences	31 March 2023
	Rights	(75,713)	(1,242)	-	-	4,511
Other	(57,552)	(1,267)	-	-	2,066	(56,753)
	(133,265)	(2,509)	-	-	6,577	(129,197)
Net Book Value	1,703,063					1,594,411

(*) As of 31 March 2024, TL 1,284,571 thousand (31 March 2023: TL 1,284,049 thousand) of rights consists of distributorship agreements for the products within the Group in Saudi Arabia, and Rana brand rights amounting to TL 243,999 thousand (31 March 2023: TL 239,198 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 2024, there is no impairment.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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13. INTANGIBLE ASSETS (cont’d)

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. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**Guarantees Given**

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

	31 March 2024			31 December 2023		
	TL	USD	EUR	TL	USD	EUR
A) CPM's given in the name of own legal personality (*)	213,192	25,354	337	229,506	25,354	337
B) CPM's given on behalf of the fully consolidated companies	-	-	101,525	-	-	100,000
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	-	-	-	-	-	-
	213,192	25,354	101,862	229,506	25,354	100,337

(*) 44 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 2024 (31 December 2023: zero).

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 2024	1 January- 31 March 2023
Domestic sales (*)	18,238,920	20,088,391
Export sales	3,304,131	3,032,955
Sales returns and discounts (-)	(1,942,115)	(5,774,491)
Revenue	19,600,936	17,346,855
Cost of merchandises sold	(13,007,587)	(11,490,482)
Cost of trade goods sold	(328,307)	(524,755)
Cost of sales	(13,335,894)	(12,015,237)
Gross Profit	6,265,042	5,331,618

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

16. EXPENSES BY NATURE

The detail of operating expenses is as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
General Administrative Expenses		
Personnel expenses	(195,757)	(136,144)
Operating expenses	(182,537)	(136,793)
Consultancy expenses	(29,819)	(20,191)
Depreciation and amortization expenses	(8,790)	(7,225)
Other	(64,394)	(58,404)
	(481,297)	(358,757)
Marketing expenses		
Marketing operating expenses	(1,587,789)	(1,342,422)
Personnel expenses	(282,781)	(250,351)
Rent expenses	(43,780)	(25,945)
Depreciation and amortization expenses	(4,246)	(5,257)
Other	(122,269)	(68,170)
	(2,040,865)	(1,692,145)
Research and Development Expenses		
Personnel expenses	(43,077)	(37,254)
Materials expenses	(28,591)	(14,031)
Depreciation and amortization expenses	(1,422)	(1,255)
Other	(4,524)	(16,919)
	(77,614)	(69,459)

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17. FINANCIAL INCOME

	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange gains	12,837	224,893
Other	1,109	1,246
	13,946	226,139

18. FINANCIAL EXPENSES

	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange losses from financing	(2,055,937)	(1,469,454)
Interest expenses	(1,082,878)	(1,002,207)
Other	(76,543)	(45,274)
	(3,215,358)	(2,516,935)

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 TFRS. 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 TFRS, and these differences are stated below.

Taxation will be made by considering the 20% rate over the cumulative corporate tax base of the entire year for 2023. For the year 2024; taxation will be made by considering the rate of 25% over the corporate tax base.

The tax rates used in the calculation of the Group's deferred tax assets and liabilities are 25% in Türkiye (2023: 20%), 20% for its subsidiaries in Saudi Arabia and Kazakhstan (2023: 20%), subsidiaries in Egypt. 22.5% for its subsidiaries (2023: 22.5%), 10% for its subsidiary located in Kyrgyzstan (2023: 10%), zero for its subsidiary located in the United Arab Emirates (2023: zero)

Timing differences that form the basis for deferred tax:

	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Amortization differences of property, plant and equipment and intangible assets	-	-	8,301,409	9,867,563
Investment properties valuation differences	-	-	1,638,364	950,967
Inventories	(290,783)	(73,993)	-	-
Provision for severance pay	(1,091,705)	(1,022,439)	-	-
Provision for expected credit losses	(65,907)	(85,024)	-	-
Prior year's losses	(4,666,450)	(7,761,799)	-	-
Provision for lawsuits	(9,188)	(10,044)	-	-
Derivative instruments	-	-	705,862	679,977
Provision for accumulated vacation	(130,935)	(94,968)	-	-
Other	(355,667)	(1,545,327)	205,329	276,375
	(6,610,635)	(10,593,594)	10,850,964	11,774,882

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19. TAX ASSET AND LIABILITIES(cont'd)

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

	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Amortization differences of property, plant and equipment and intangible assets	-	-	1,733,406	2,051,179
Investment properties valuation differences	(8,403)	(354,846)	-	-
Inventories	(72,696)	(18,498)	-	61,035
Provision for severance pay	(272,926)	(255,609)	-	-
Provision for expected credit losses	(16,477)	(21,256)	-	-
Prior year's losses	(1,166,613)	(1,940,450)	-	-
Provision for lawsuits	(2,297)	(2,511)	-	-
Derivative instruments	-	-	176,465	169,994
Provision for accumulated vacation	(32,734)	(23,742)	-	-
Investment incentive	(38,474)	(42,975)	-	-
Other	(88,915)	(386,330)	51,332	69,093
	(1,699,535)	(3,046,217)	1,961,203	2,351,301

Tax Advantages Obtained Under the Investment Incentive System

Earnings from the Group's investments tied to the incentive certificate are subject to corporate tax at reduced rates from the accounting period in which the investment is started to be partially or fully operated until the investment contribution amount is reached. In this context, as of 31 March 2024, the tax advantage amounting to TL 38,474 thousand (31 December 2023: TL 42,975 thousand) that the Group will benefit from in the foreseeable future is reflected in the consolidated financial statements as a deferred tax asset. As a result of accounting for the aforementioned tax advantage as of 31 March, 2024, no deferred tax income has been reflected in the consolidated statement of profit or loss for the period from 1 January to 31 March, 2024. Deferred tax assets are recognized in case it is determined that taxable income is likely to occur in the future. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-life investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models containing taxable profit estimations. The deferred tax assets are expected to be recovered within 5 years from the balance sheet date. In the sensitivity analysis carried out as of 31 March 2024, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets related to investment incentives, which is foreseen as 5 years, has not changed.

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19. TAX ASSET AND LIABILITIES(cont'd)

Movement of Deferred Tax Assets:

	1 January- 31 March 2024	1 January- 31 March 2023
Opening balance	(694,916)	(724,702)
Netted tax from funds reflected in equity	(253,629)	(97,943)
Foreign currency translation differences	266,829	(43,974)
Deferred tax expense	943,384	244,719
Closing balance	261,668	(621,900)

In the consolidated financial statements for the period ended 31 March 2024, the Group accounted deferred tax assets of TL4,666,450 thousand for deductible financial losses (31 December 2023: TL 7,761,799 thousand).

The maturities of the financial losses are as follows:

	31 March 2024	31 December 2023
2026	-	863,512
2027	1,625,330	4,262,576
2028	3,041,120	2,635,711
	4,666,450	7,761,799

Corporate tax

The Company and its subsidiaries located in Türkiye are subject to corporate tax valid in Türkiye. 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 2024 is 25% (2023: 20%).

In Türkiye, provisional tax is calculated and accrued on a quarterly basis. During the taxation of the corporate earnings for the year of 2024, as of the temporary tax periods, the provisional tax rate to be calculated over the corporate earnings is 25% (2023: 20%).

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 Türkiye. 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 Türkiye 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.

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19. TAX ASSET AND LIABILITIES(cont'd)

The corporate tax in Egypt, where Hi Food for Advanced Food Industries and Ulker for Trading and Marketing, subsidiaries of the Group is 22.5% (2023: 22.5%). The corporate tax rate in Saudi Arabia, where Food Manufacturers' Company and International Biscuits Company, subsidiaries of the Group, is 20% (2023: 20%). The corporate tax rate in Kazakhstan, where Hamle Company Ltd LLP, a subsidiary of the Group, is 20% (2023: 20%) The corporate tax rate in Kyrgyzstan, where Ülker Star LLC, a subsidiary of the Group, is 10% (2023: 10%). In United Arab Emirates, where Amir Global Trading FZE, a subsidiary of the Group, is exempt from corporate tax earnings(2023: Exempt).

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 Türkiye, 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 24 April 2003 and 22 July 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 2024 and 31 December 2023, the tax provisions are as follows:

	31 March 2024	31 December 2023
Total tax provision	(731,750)	(1,492,376)
Prepaid taxes and legal liabilities	67,816	914,470
Taxation in the balance sheet	(663,934)	(577,906)

	1 January- 31 March 2024	1 January- 31 March 2023
Current year corporate tax expense	204,028	489,114
Deferred tax expense	943,384	244,719
	1,147,412	733,833

20. EARNINGS PER SHARE

The weighted average of the Company shares and earnings per unit share calculations for the periods of 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Weighted average number of common stock outstanding	36,927,600	36,927,600
Net profit for the period attributable to equity holders of the parent	2,167,307	2,225,853
Earnings per Share (TL 1 worth shares)	5.87	6.03

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21. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	31 March 2024	31 December 2023
Trade receivables	10,225,914	7,747,458
Non-trade receivables	2,143,005	2,295,897
	12,368,919	10,043,355

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

	31 March 2024		31 December 2023	
	Trade	Non-Trade	Trade	Non-Trade
Yıldız Holding A.Ş.	-	2,143,005	-	2,295,897
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	3,524,455	-	2,615,178	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	5,170,157	-	3,698,137	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	590,012	-	563,648	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	510,385	-	422,580	-
Other	430,905	-	447,915	-
	10,225,914	2,143,005	7,747,458	2,295,897

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 distribution of products throughout Türkiye.

The detail of payables to related parties is as follows:

	31 March 2024	31 December 2023
Trade payables	1,799,868	2,635,103
	1,799,868	2,635,103

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21. RELATED PARTY DISCLOSURES (cont’d)

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

	31 March 2024	31 December 2023
	Trade	Trade
Yıldız Holding A.Ş.	693,898	996,427
Marsa Yağ San. ve Tic. A.Ş.	583,452	93,477
United Biscuits (UK) Ltd.	413,406	238,530
Kerevitaş Gıda San. ve Tic. A.Ş.	24,624	542,736
Adapazarı Şeker Fabrikası A.Ş.	-	641,441
Other	84,488	122,492
	1,799,868	2,635,103

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

	1 January- 31 March 2024		1 January- 31 March 2023	
	Purchases	Sales	Purchases	Sales
Marsa Yağ San. ve Tic. A.Ş.	925,896	-	206,329	-
United Biscuits (UK) Ltd.	233,923	1,577	133,049	9,244
Kerevitaş Gıda San. ve Tic. A.Ş.	141,173	-	764,843	-
Adapazarı Şeker Fabrikası A.Ş.	45,393	-	149,912	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	4,357	468,721	3,751	471,571
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	6,110,284	-	5,370,750
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	5,673,570	-	4,578,237
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	662,683	-	725,607
Other	82,623	263,241	70,168	240,482
	1,433,365	13,180,076	1,328,052	11,395,891

The Group mainly acquires raw materials from Kerevitaş Gıda San. ve Tic. 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 Türkiye.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira in terms of purchasing power of 31 March 2024 ("TL") unless otherwise stated)

21. RELATED PARTY DISCLOSURES (cont'd)

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 2024:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Yıldız Holding A.Ş.(*)	(68)	(550,145)	116,854
pladis Foods Limited	-	(206,392)	317
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	41	(43,790)	32,049
İzsal Gayrimenkul Geliştirme A.Ş.	(1,847)	(39,557)	55
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(34,443)	25,084
United Biscuits (UK) Ltd.	-	(29,873)	(2,623)
Other	115	(33,760)	70
	(1,759)	(937,960)	171,806

(*):As of 31 December 2023, the ultimate parent company of the Group has become Yıldız Uluslararası Gıda Yatırım A.Ş. For the three month period ended 31 March 2023, Yıldız Holding was shown under 'Principle Shareholder '.

For three months period ended 31 March 2023:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
<i>Principle Shareholder</i>			
Yıldız Holding A.Ş.(*)	(199)	(415,378)	20,824
<i>Other Companies Controlled by the Principle Shareholder</i>			
pladis Foods Limited	-	(162,834)	72
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(44,178)	41,741
İzsal Gayrimenkul Geliştirme A.Ş.	(1,993)	(40,744)	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	51	(40,248)	8,270
United Biscuits (UK) Ltd.	-	(24,917)	(957)
Other	172	(22,046)	98
	(1,969)	(750,345)	70,048

Benefits provided to members of BOD and key management personnel:

	31 March 2024	31 March 2023
Salaries and other short-term benefits	166,190	164,783
	166,190	164,783

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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 2024				
	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	3,721,666	88,096	21,846	2,881	-
2a. Monetary Financial Assets	14,396,509	335,054	102,411	357	14
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	33,515	685	165	17	139
4. CURRENT ASSETS	18,151,690	423,835	124,422	3,255	153
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	18,151,690	423,835	124,422	3,255	153
10. Trade Payables	1,020,656	10,775	13,404	5,013	68
11. Financial Liabilities	6,074,115	48,479	129,559	-	-
12a. Other Monetary Financial Liabilities	7,800	109	123	-	-
12b. Other Non-monetary Financial Liabilities	13,108	240	154	-	-
13. CURRENT LIABILITIES	7,115,679	59,603	143,240	5,013	68
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	27,646,846	583,766	252,849	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	27,646,846	583,766	252,849	-	-
18. TOTAL LIABILITIES	34,762,525	643,369	396,089	5,013	68
19. Net Asset/Liability of Off Statement of Financial Position (19a-19b)	10,812,056	129,000	191,000	-	-
19a. Net Assets of Off Statement of Financial Position	10,812,056	129,000	191,000	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	(5,798,779)	(90,534)	(80,667)	(1,758)	85
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15-16a)	(16,631,242)	(219,979)	(271,678)	(1,775)	(54)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	705,862	1,829	18,585	29	-

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

Foreign currency risk management (cont'd)

	31 December 2023				
	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	4,120,930	73,450	40,687	2,507	-
2a. Monetary Financial Assets	15,387,718	340,487	102,508	259	32
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	276,931	5,055	2,763	33	18
4. CURRENT ASSETS	19,785,579	418,992	145,958	2,799	50
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	19,785,579	418,992	145,958	2,799	50
10. Trade Payables	1,418,957	25,201	12,544	2,070	149
11. Financial Liabilities	5,906,611	47,487	114,675	-	-
12a. Other Monetary Financial Liabilities	4,685	-	125	-	-
12b. Other Non-monetary Financial Liabilities	6,775	179	19	-	-
13. CURRENT LIABILITIES	7,337,028	72,867	127,363	2,070	149
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	28,588,142	572,063	245,749	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	28,588,142	572,063	245,749	-	-
18. TOTAL LIABILITIES	35,925,170	644,930	373,112	2,070	149
19. Net Assets of Off Statement of Financial Position (19a-19b)	11,239,992	124,000	186,100	1,500	-
19a. Net Assets of Off Statement of Financial Position	11,239,992	124,000	186,100	1,500	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(4,899,599)	(101,938)	(41,054)	2,229	(99)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15-16a)	(16,409,747)	(230,814)	(229,898)	696	(117)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	682,017	923	17,329	29	-

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

The export and import amounts realized by the Group as of 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Total exports	3,304,131	3,032,955
Total imports	2,106,597	1,909,850

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 2024		31 March 2023	
	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	(710,211)	710,211	(634,340)	634,340
2- Part of hedged from US Dollar risk (-)	416,482	(416,482)	161,361	(161,361)
3- US Dollar net effect (1+2)	(293,729)	293,729	(472,979)	472,979
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	(945,502)	945,502	(1,653,868)	1,653,868
5 - Part of hedged from Euro risk (-)	664,724	(664,724)	940,590	(940,590)
6- Euro net effect (4+5)	(280,778)	280,778	(713,278)	713,278
Total (3 + 6)	(574,507)	574,507	(1,186,257)	1,186,257

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23. FINANCIAL INSTRUMENTS

Classes and fair values of financial instruments

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

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

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

	31 March 2024	Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets at fair value through profit/loss				
- Held for trading	4,594	4,594	-	-
Financial assets at fair value through comprehensive income statement				
- Shares	4,396,115	-	-	4,396,115
- Derivative instruments	716,247	-	716,247	-
Total	5,116,956	4,594	716,247	4,396,115
Financial liabilities				
Financial liabilities at fair value through profit/loss				
- Derivative instruments	(10,385)	-	(10,385)	-
Total	(10,385)	-	(10,385)	-

	31 December 2023	Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets at fair value through profit/loss				
- Held for trading	4,867	4,867	-	-
Financial assets at fair value through comprehensive income statement				
- Shares	4,613,634	-	-	4,613,634
- Derivative instruments	682,017	-	682,017	-
Total	5,300,518	4,867	682,017	4,613,634

The carrying value of the fixed-rate Eurobonds (Note 6) issued by the Company to be traded on Dublin Euronext, with a nominal value of USD 650.000.000, is TL 176,042 thousand below their fair value based on the quoted prices in active markets (Level 1).

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24. EVENTS AFTER THE BALANCE SHEET DATE

The company has signed a loan agreement with the International Finance Corporation (IFC) to utilize a credit facility of 75 million EUR with a term of 2 years. This credit facility will be utilized to finance sustainability investments and working capital needs for growth.

The company intends to streamline the consolidation process of its wholly-owned subsidiary, Önem Gıda Sanayi ve Ticaret Anonim Şirketi, whose financials are consolidated within corporate structure, by effecting the transfer of all its assets and liabilities to the company in a consolidated manner (solely leading to the cessation of its legal entity), through a facilitated procedure.

The company applied regarding the issuance of debt securities of up to 550,000,000 US Dollars-for sale outside of Türkiye,has been approved by the Capital Markets Board (CMB)The Application was confirmed on 13 May 2024.The income from the securities will be used as refinancing of securities from 2020 due on October 2025.

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OTHER SUPPLEMENTARY INFORMATION**APPENDIX-1 COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31 DECEMBER 2021-2022-2023**

The supporting information not required by TFRS, has been prepared in accordance with TAS 29 to present the consolidated statements of financial position and the consolidated statements of profit or loss for the years ended December 31, 2021, 2022, and 2023, adjusted to the purchasing power as of March 31, 2024.

ASSETS	31 December 2023	31 December 2022	31 December 2021
Current Assets	42,558,874	48,065,769	59,983,773
Cash and Cash Equivalents	13,413,222	17,546,581	9,358,399
Financial Investments	4,867	399,089	19,978,775
Trade Receivables			
- Trade Receivables from Related Parties	7,747,458	7,774,388	7,855,111
- Trade Receivables from Third Parties	6,137,052	6,233,439	6,745,144
Other Receivables			
- Other Receivables from Related Parties	2,295,897	2,265,275	1,699,461
- Other Receivables from Third Parties	194,275	687,836	214,062
Derivative Instruments	682,017	1,414,069	4,669
Inventories	9,655,297	9,799,260	11,498,034
Prepaid Expenses			
- Prepaid Expenses to Third Parties	860,567	812,538	1,215,167
Current Income Tax Assets	174,789	25,608	519,057
Other Current Assets	1,393,433	1,107,686	895,894
Non-Current Assets	28,308,407	28,047,858	27,691,937
Financial Investments	4,613,634	5,094,769	5,850,422
Property, Plant and Equipment	18,725,831	16,917,773	15,734,294
Intangible Assets			
- Goodwill	2,149,781	2,127,641	2,792,221
- Other Intangible Assets	1,633,387	1,703,063	2,033,492
Prepaid Expenses	254,836	244,390	260,471
Deferred Tax Asset	930,938	1,960,222	1,021,037
TOTAL ASSETS	70,867,281	76,113,627	87,675,710

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OTHER SUPPLEMENTARY INFORMATION(cont’d)

APPENDIX-1 COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31 DECEMBER 2021-2022-2023 (cont’d)

	31 December 2023	31 December 2022	31 December 2021
LIABILITIES			
Current Liabilities	17,774,449	32,017,338	19,104,714
Short-Term Borrowings	1,311,938	1,753,895	2,366,697
Short-Term Portion of Long-Term Borrowings	4,971,282	19,862,605	6,550,120
Trade Payables	-	-	-
- Trade Payables to Related Parties	2,635,103	2,046,582	1,480,799
- Trade Payables to Third Parties	6,150,071	5,842,917	5,590,309
Payables Related to Employee Benefits	327,860	250,967	239,679
Other Payables	-	-	-
- Other Payables to Third Parties	6,131	5,735	39,466
Derivative Instruments	-	43,083	-
Deferred Income	93,058	155,960	260,847
Current Income Tax Liabilities	577,906	496,646	939,115
Short-Term Provisions	-	-	-
- Short-Term Provisions for Employee Benefits	600,272	491,074	420,790
- Other Short-Term Provisions	619,703	665,794	895,245
Other Current Liabilities	481,125	402,080	321,647
Non-Current Liabilities	30,307,964	26,096,751	50,263,347
Long-Term Borrowings	28,883,952	23,413,173	47,693,958
Long-Term Provisions	-	-	-
- Provisions for Employee Benefits	1,187,990	1,448,058	1,080,178
Deferred Tax Liability	236,022	1,235,520	1,489,211
SHAREHOLDERS’ EQUITY	22,784,868	17,999,538	18,307,649
Equity Attributable To Equity Holders’ of the Parent	20,678,581	13,848,896	13,851,521
Paid-in Capital	369,276	342,000	342,000
Share Capital Adjustment Differences	6,946,858	6,937,985	6,937,985
Share Premium	3,837,441	-	-
Effect of Business Combinations Under Common Control	(18,942,304)	(17,570,375)	(17,570,375)
Accumulated Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Losses on Remeasurement of Defined Benefit Plan	(666,752)	(439,359)	(39,372)
- Increases on Revaluation of Plant, Property and Equipment	2,336,898	2,071,948	133,236
- Earnings from Investments in Equity Financial Instruments	2,327,413	2,231,303	2,987,553
Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss			
- Foreign Currency Translation Differences	(403)	(1,225,325)	760,049
- Cash Flow Hedges (Losses)	(989,274)	68,637	1,502
Restricted Reserves Appropriated from Profit	1,758,162	1,618,675	1,618,675
Prior Years' Profit	19,813,407	18,680,268	18,809,782
Net Profit for the Period	3,887,859	1,133,139	(129,514)
Non-Controlling Interests	2,106,287	4,150,642	4,456,128
TOTAL LIABILITIES AND EQUITY	70,867,281	76,113,627	87,675,710

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OTHER SUPPLEMENTARY INFORMATION(cont’d)

APPENDIX-1 COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31 DECEMBER 2021-2022-2023 (cont’d)

	1 January- 31 December 2023	1 January- 31 December 2022	1 January- 31 December 2021
Revenue	64,247,087	59,811,461	45,484,363
Cost of Sales (-)	(45,633,751)	(46,776,836)	(33,276,845)
GROSS PROFIT	18,613,336	13,034,625	12,207,518
General Administrative Expenses (-)	(274,663)	(189,451)	(147,176)
Marketing Expenses (-)	(5,906,329)	(5,050,880)	(3,852,214)
Research and Development Expenses (-)	(1,597,402)	(1,425,365)	(1,206,858)
Other Operating Income	3,159,232	2,763,542	3,209,202
Other Operating Expenses (-)	(1,345,328)	(1,011,273)	(2,031,527)
OPERATING PROFIT	12,648,846	8,121,198	8,178,945
Income from Investment Activities	8,772,016	8,988,334	22,750,136
Expenses from Investment Activities (-)	(481,873)	(3,736,706)	(748,383)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES	20,938,989	13,372,826	30,180,698
Financial Income	366,312	390,830	1,713,401
Financial Expenses (-)	(20,957,826)	(18,905,223)	(32,451,482)
Net Monetary Gain	5,149,273	6,721,385	2,228,752
PROFIT BEFORE TAX FROM OPERATIONS	5,496,748	1,579,818	1,671,369
Tax (Expense)/Income	(637,883)	65,023	(1,094,984)
Current Tax Expense (-)	(1,492,377)	(1,496,655)	(1,661,539)
Deferred Tax Income	854,494	1,561,678	566,555
PROFIT FOR THE PERIOD	4,858,865	1,644,841	576,385
Distribution of the Profit for the Period			
Non-Controlling Interest	971,006	511,702	705,899
Equity Holders of the Parent	3,887,859	1,133,139	(129,514)