ÜLKER BİSKÜVİ
1 JANUARY – 30 JUNE 2022
INTERIM REPORT
17 August 2022

1- GENERAL INFORMATION

Reporting Period:	01.01.2022 - 30.06.2022
Commercial Title:	Ülker Bisküvi Sanayi Anonim Şirketi
Trade Registration:	41603
Paid-in/Issued Capital:	342.000.000 TL
Head Office Communication Address, Phone and Fax:	Kısıklı Mahallesi Ferah Caddesi No: 1 34692 Büyük Çamlıca-Üsküdar / İstanbul
Web adress:	www.ulkerbiskuvi.com.tr
Investor Relations Contact:	ir@ulker.com.tr

2- SCOPE OF ACTIVITIES

The purpose and fields of activity of Ülker Bisküvi Sanayi A.Ş. is to manufacture of all foodstuffs and particularly; manufacture, purchase, sale, export and import of all kinds of flour and sugar, cacao, nut finished and semi-finished products such as biscuits, chocolates, bars, chocolate covered biscuits and bars, cakes etc. and all raw stuffs and auxiliary products related to these finished and semi-finished products.

3- SHAREHOLDER STRUCTURE

Shareholder structure of Ülker Bisküvi as of June 30, 2022 is stated below;

	30 June 2022		31 December 2021	
Name of the Shareholders	**Share**	**Percentage**	**Share**	**Percentage**
pladis Foods Limited	174.420	51,0%	174.420	51,0%
Ülker Family Members and Yıldız Holding A.Ş.	25.580	7,5%	25.580	7,5%
Other	142.000	41,5%	142.000	41,5%
	342.000	**100,0%**	**342.000**	**100,0%**

a) Dividend Policy

Ülker distributes profit in accordance with the Turkish Commercial Code, Capital Market Law, Tax Law, other applicable legislation and the articles related to profit distribution in the Ülker's Articles of Association. The Board of Directors' dividend distribution proposal, which complies with the Ülker's dividend distribution policy and the Capital Markets Board's Corporate Governance Principles is submitted for the approval of shareholders at the General Assembly; detailed information on the history of profit distribution and capital increases is disclosed in the corporate web site.

b) Investment Policy

Ülker Bisküvi reinforced its robust market position with new capital investments that included new installations in the factories, capacity increases, modifications to production lines, productivity upgrades, and improvements in hygienic conditions and warehousing processes. Ülker's capital expenditures aim to increase consumer satisfaction, improve product quality more and more, and to make its cost structure more competitive by increasing operational efficiency. In 2022 January-June period, Ülker carried out facility and modernization activities with an approximately 192 million TL investment on consolidated basis. The mentioned investments include modifications to production lines, productivity upgrades, and improvements in hygienic conditions and warehousing processes.

4- MANAGEMENT

The Board of Directors of Ülker Bisküvi Sanayi A.Ş. was elected at the Ordinary General Assembly Meeting held on 21.07.2020 to serve for three years. The Company's Board of Directors is composed of eight members, three of whom are independent. With the approval of the Capital Markets Board dated 08.04.2022 and numbered E-29833736-110.07.07-19942, Füsun KURAN was elected at the Ordinary General Assembly Meeting held on 10.05.2022.

Ms.Füsun KURAN was elected as an independent member of the board of directors, replacing Ahmet Murat Yalnızoğlu whose term of office has expired.

Name-Surname	Position	Term of Office
AHMET BAL	Chairman of the Board (Independent Member)	21.7.2020-21.7.2023
ALİ ÜLKER	Vice Chairman of the Board	21.7.2020-21.7.2023
MURAT ÜLKER	Member of the Board	21.7.2020-21.7.2023
MEHMET TÜTÜNCÜ	Member of the Board	21.7.2020-21.7.2023
METE BUYURGAN	Member of the Board	21.7.2020-21.7.2023
İBRAHİM TAŞKIN	Member of the Board	21.7.2020-21.7.2023
FÜSUN KURAN(*)	Member of the Board (Independent Member)	10.5.2020-21.7.2023
PINAR ILGAZ	Member of the Board (Independent Member)	21.7.2020-21.7.2023

(*) FÜSUN KURAN BIOGRAPHY

Füsun Kuran, who started her career as an auditor at Arthur Andersen, became the General Manager of Stefanel in 2001, where she continued her career. In 2005, he was deemed worthy of the "Youngest Successful General Manager" award by Capital Magazine. Füsun Kuran, who became the General Manager of Brooks Brothers in 2013, served as the CEO of RMK Classic, where Brooks Brothers and Edwards brands are located, until January 2019. Kuran, who served as the President of the Registered Trademarks Association (TMD) for two terms in 2010-2012 and 2014-2016, is currently the vice president of the association. Experienced name of the business world, Füsun Kuran, served as the CEO of Make-A-Wish® Turkey, an international organization for children struggling with life-threatening diseases. She is the CEO and board member of TutumluAnne/TutumluDükkan, a marketplace for women's products.

INDEPENDENT STATEMENT

I state that I am candidate of being an independent member in the Board of Directors of Ülker Bisküvi Sanayi Anonim Şirketi (the "Company") within the scope of legislation, article of incorporation and the criterion determined in the Corporate Governance principles in Communique on Corporate Governance (II-17.1) published in the Official Gazette dated 3 January 2014 and numbered 28871 by Capital Markets Board. In this scope, I hereby declare that;

a) No relationship was formed in employment, in capital or in important trading activities, either by me nor by my spouse, nor by my blood or affinity relatives up to the 3rd degree nor have I had any direct or indirect relationship with the Company, 3rd parties in relation with the Company or legal entities who have relation with shareholders of the Company having a share of 5% or more within the last five years,

b) Within the last five years, I have not been a partner (5% or above), employed as an executive having a significant duty and responsibility, or as a member of the Board of Directors in a company, which is primarily serving as auditing (tax audit, legal audit and including any internal audit), consulting and rating the Company, which undertakes material business activities under an agreement, in the period where the services or goods have been purchased or sold,

c) As being an independent member of the Board of Directors, I have the required professional training, knowledge and experience for undertaking the duties of the position,

d) I am not working full time in a governmental or public institution,

e) I am a resident of Turkey in accordance with the Income Tax Law no 193 dated 31.12.1960,

f) I have strong ethical standards, a professional reputation and the experience to make a positive contribution to the Company, to maintain my independency regarding conflicts between shareholders and for making independent decisions which take into account stakeholders' rights,

g) I will be able to spend the necessary time for fulfilling the requirements of the position and monitoring processes of the activities of the Company,

h) I have not been on the Board of the Company for more than six years within the last ten years,

i) I am not independent Board member in more than three of the companies which are controlled by the Company or its controlling shareholders and in more than five companies listed on the Stock Exchange,

j) I am not registered as a Board member elected for the legal entity.

I declare my independency in attention to the Board of Directors, General Meeting Board, shareholders and all stakeholders.

KIND REGARDS
FÜSUN KURAN

5– SUBSIDIARIES

The table below lists information relating to the direct subsidiaries of Ülker Bisküvi as of June 30, 2022. Detailed information about subsidiaries is included in the notes of consolidated financial table.

	30-June -2022		31-December-2021		
Subsidiaries	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Natue of Operations**
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
Ul Egypt B.V.	51,0%	51,0%	51,0%	51,0%	Investment
Hi-Food for Advanced Food Industries	-	51,4%	-	51,4%	Manufacturing-Sales
Sabourne Investments Ltd	100,0%	100,0%	100,0%	100,0%	Investment
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
Ul Mena BV	100,0%	100,0%	100,0%	100,0%	Investment
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

6- BRANCHES

Ülker Bisküvi has a factory (branch) at Esenboğa road 21.km Akyurt / ANKARA. The Ankara Factory, which has the largest biscuit production and storage facilities in the Middle East, operates in a closed area of 80.000 m² on a total area of 110.000 m². Ülker Bisküvi has branches in Gebze. The Gebze Factory has a closed area of 80.000 m² on a total closed area.

Chocolate production is carried out in the factory which operates in a closed area of 84.537 m² in Topkapı. Biscuits, cakes, crackers and chocolates are produced in Karaman Factory in a closed area of 27.298 m². In

Silivri facilities, established in 1995, chocolate and covered chocolate are produced in a closed area of 42.500 m². In Egypt, biscuit is produced. In Saudi Arabia and Kazakhstan, biscuits, chocolates and cakes are produced. As part of the strategy, in In 2017, Ülker Bisküvi acquired UI Mena BV, the sole shareholder of Amir Global Trading FZE, which has the distribution and production rights of United Biscuits Limited products in Saudi Arabia, the Middle East and North Africa, in line with its strategy.Ülker Bisküvi acquired Önem Gıda on 27.08.2021, which supplies chocolate and cocoa products, hazelnut, flour and derivatives products. Önem Gıda has 4 facilities where chocolate paste and cocoa powder in the Topkapı/İSTANBUL Factory, hazelnut production in Keşap/GİRESUN, and flour production in the Akyurt/ ANKARA and KARAMAN facilities.

7- INFORMATION ON BUSINESS ACTIVITIES

Sector Developments in Brief

Turkey confectionary market grew by 82% in value in the first six months. In Biscuits category year to date value growth is realized as 101%, in cake category 110 % and in chocolate category total growth is 79% in January-June 2022 period.

Ülker Bisküvi's position in the industry

Ülker Bisküvi is the leader of the sector in biscuits market, producing in Kocaeli / Gebze and Ankara factories. Apart from these two main plants, Ülker Bisküvi produces by its subsidiary Biskot Gıda in Karaman and Silivri facilities and by its other subsidiary Ülker Çikolata in Topkapı / Istanbul facility. The Company also makes production by its subsidiaries Hi-Food, FMC, IBC and Hamle in Egypt, Saudi Arabia and Kazakhstan, respectively. In biscuit facilities, Ülker produces chocolate covered biscuits, wafers and cakes. Ülker Bisküvi, leader of the biscuit industry, is among the world's giant food producers with hundreds of kinds of products offered to the national and international markets in the fields of biscuits and crackers. Domestic distribution of biscuits, cakes, chocolate covered and chocolate products produced by Ülker Bisküvi is performed by Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. that are subsidiaries of Yıldız Holding.

Ülker Bisküvi products are exported to Europe, Africa and America, mainly Middle East, Russia and Central Asia Republics. As well as contributing to the national economy by making exports, also successfully represents Turkey's approach to quality to worldwide. Ülker Bisküvi, which has an effective control system that ensures synergy in all phases of production and consumption, continues its investments with its strategy focused on sustainable profitable growth. The focus of Ülker Bisküvi is on consumers. Ülker Bisküvi, which meets the needs and expectations of its customers to the maximum level, has established a consistent and consistent relationship with the target mass. Research conducted in recent years shows that the commitment to the Ülker brand is at a high level.

8- COMPANY GUIDANCE

In the first six months of 2022, as always, Ülker do its activities; customer focused, innovative approach, quality and high hygiene principles without compromising. As a result of the restructuring efforts, Ülker Bisküvi has taken its companies out its portfolio since 2010 which are out of core business, has gathered all the functions such as production, sales and similar functions under one roof and formed a structure to manage the biscuit-chocolate-cake categories in one hand.

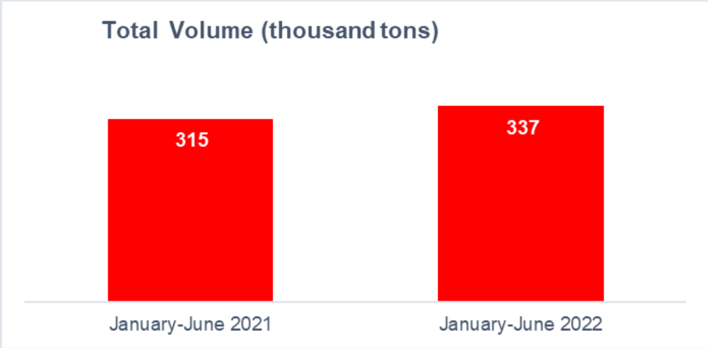
With this new structuring realized;

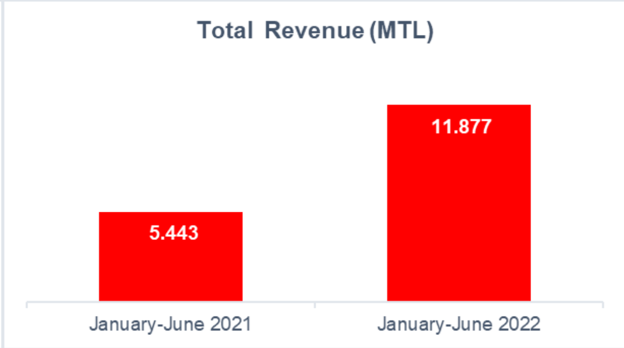
1. Move the leadership vision and competitiveness of Ülker to the future
2. Power with the focus in the confectionary categories
3. To better evaluate innovation opportunities
4. Provide efficiency in supply chain and channel costs
5. Aims to be able to respond more effectively to consumer needs.

Ülker will continue to work to achieve our strategic goals that have set within the scope of its strategic plan. In 2022, the Company continues to work towards its budget and strategic plan goals that have set up to keep its financial and operational results at the highest level.

9- OPERATIONAL DEVELOPMENTS

Ülker Bisküvi's total revenue and tonnages in the first half of 2022 are shown in the table below.





10- R&D

The ethical principles of Ülker Bisküvi's R&D activities are determined as follows:

• Use scientific methods and techniques to research and find truths and report them.• To observe the human and environmental health and public interest while working in accordance with the current laws and regulations and the principles and objectives of the Group.• To keep consumer needs and expectations always on the first plenary.• To provide Food Safety-Quality-Price-Diversity optimization in products. • Act in line with the principle of "We will not consume any products that we will not consume and that we will not eat with our children". With the completion of the Global R&D organization structure in R&D work, Ülker's global targets became clear. New missions and tasks have been added to the work done in this framework. The company has continued to work in a customer-focused manner in line with new product development, current product improvement, cost reduction, quality improvement, alternative raw material approval and technical / technological support.

11- RISK MANAGEMENT

Corporate Risk Management efforts include determining potential incidents that may affect Ülker Bisküvi, managing risks in line with the Company’s risk taking profile, and providing an acceptable level of assurance for the Company to achieve its goals. Corporate Risk Management is a systematic process which is utilized in devising strategies, implemented across the Company and impacted by the Company’s Board of Directors, senior management as well as all of its employees.

12- CAPITAL MARKET INSTRUMENTS

The issue of bonds to be sold outside Turkey with an aggregate principal amount of USD 650,000,000, rated B+ by S&P and BB- by Fitch has been completed by the group on 30 October 2020. The bonds have been listed on the Irish Stock Exchange (Euronext Dublin). As of the date of this report, current long-term foreign-currency issuer default ratings are; B by S&P and Fitch.

13- SENIOR MANAGEMENT

Ahmet BAL

Ahmet Bal started to work as an Assistant Financial Affairs Coordinator in Anadolu Endüstri Holding in 1994. He carried his duties as Finance Director in Efes Sinai Yatırım Ticaret A.Ş. in which he was responsible from the International Coca-Cola business operations of Anadolu Group between 1995 and 1998 and as General Manager between 1998-1999. He served as the Financial Affairs Coordinator for the Automotive, Finance and Stationery companies in Anadolu Endüstri Holding's Financial Affairs Department between 1999-2006. He worked as the Audit Coordinator responsible for all Group companies Anadolu Endüstri Holding between 2006-2012. Ahmet Bal has been appointed as the Chairman of Ülker Bisküvi's Board of Directors as of 06.05.2021.

Mete BUYURGAN

Mete Buyurgan who joined Yıldız Holding in 2013 as Vice President of Food Group, has been appointed as the CEO of Ülker as of February 25, 2020.

Fulya Banu SÜRÜCÜ

Fulya Banu Sürücü, who has played important roles in many international companies, has been appointed as the CFO of Ülker Bisküvi as of January 03, 2022.

14- EMPLOYEE INFORMATION

The number of employee is 9.573 which contains 1.815 emloyees who worked as subcontractors as of 30.06.2022 (31.12.2021: 9.447, subcontractor: 1.700).

15- FINANCIAL SUMMARY

With the acquisition of Önem Gıda Sanayi ve Ticaret A.Ş. on 27.08.2021, as per the principle related to "Accounting for business combinations under common control" the Public Oversight Accounting and Auditing Standards Authority issued in the Official Gazette dated 21 July 2013, business combinations under common control shall be accounted through restating previous period's financial statements via the pooling of interest method. Thus, the Group restated its consolidated income statements for the six months period ended 30 June 2021.

Income Statement (TLmn)	2Q'21	2Q'22	1H'21	1H'22
Sales Revenues	2.659	5.991	5.443	11.877
Growth (%)		125,3%		118,2%
Gross Profit	**711**	**1.698**	**1.574**	**3.547**
Growth (%)		138,7%		125,4%
Gross Profit Margin	**26,8%**	**28,3%**	**28,9%**	**29,9%**
Marketing, Sales & Distribution Expenses	(228)	(484)	(510)	(1.021)
General Administration Expenses	(83)	(146)	(161)	(278)
Research and Development Expenses	(10)	(17)	(19)	(30)
Operating Profit	**390**	**1.051**	**884**	**2.217**
Other Operating Inc/Exp, Net	(37)	234	(33)	402
Operating Profit including Other Income/Expense	**353**	**1.285**	**851**	**2.620**
Income and Expenses from Investments	852	546	2.332	889
Operating Profit before Financial Inc/Exp	**1.206**	**1.831**	**3.182**	**3.509**
Finance Expenses	(809)	(2.435)	(2.178)	(4.431)
Profit /(Loss) Before Taxation	**396**	**(604)**	**1.004**	**(923)**
Tax Charge from Continued Operations	(149)	49	(264)	37
Profit/(Loss) For The Perıod	**247**	**(555)**	**740**	**(886)**
Non – Controlling Interests	26	94	88	234
Equity Holders of the Parent	**221**	**(649)**	**652**	**(1.119)**
EBITDA	**447**	**1.134**	**993**	**2.379**
EBITDA Margin	**16,8%**	**18,9%**	**18,2%**	**20,0%**

Balance Sheet (TLm)	31.12.2021	30.06.2022
Current Assets	18.765	22.488
Non-current Assets	7.479	8.843
Current Liabilities	6.134	15.092
Non-current Liabilities	15.796	12.006
Shareholders Equity	4.314	4.233
Net Financial Debt /(Cash)	8.233	11.343