

ÜLKER APARTMANI



ÜLKER

ÜLKER BİSKÜVİ

1 JANUARY – 30 JUNE 2024 INTERIM REPORT

1- GENERAL INFORMATION

Reporting Period:	01.01.2024 - 30.06.2024
Commercial Title:	Ülker Bisküvi Sanayi Anonim Şirketi
Trade Registration:	41603
Paid-in/Issued Capital:	369.275.855 TL
Head Office Communication Address, Phone and Fax:	Kısıklı Mahallesi Ferah Caddesi No: 1 34692 Büyük Çamlıca-Üsküdar / İstanbul
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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, 2024 is stated below;

Name of the Shareholders	30 June 2024		31 December 2023	
	Share	Percentage	Share	Percentage
pladis Foods Limited	174.420	47,23%	174.420	47,23%
Other	194.856	52,77%	194.856	52,77%
	369.276	100,0%	369.276	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 2024 January-June period, Ülker carried out facility and modernization activities with an approximately 636 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 14.06.2023 to serve for three years. Three of the members of the Board of Directors serve as Independent Members and the total number of members is eight. The Board of Directors of Ülker Bisküvi has decided to elect Ahmed Salman AMIN to replace Mehmet TÜTÜNCÜ, Member of the Board of Directors, within the framework of the provisions of Article 363 of the Turkish Commercial Code, and Sridhar RAMAMURTHY to replace Murat ÜLKER, Member of the Board of Directors, to complete the remaining term within the framework of the provisions of Article 363 of the Turkish Commercial Code, and it was approved at the general assembly on 02.05.2024.

Name-Surname	Position	Term of Office
AHMET BAL	Chairman of the Board (Independent Member)	14.6.2023-14.6.2026
ALİ ÜLKER	Vice Chairman of the Board	14.6.2023-14.6.2026
SALMAN AMİN	Member of the Board	24.4.2024-14.6.2026
SRIDHAR RAMAMURTHY	Member of the Board	02.5.2024-14.6.2026
METE BUYURGAN	Member of the Board	14.6.2023-14.6.2026
İBRAHİM TAŞKIN	Member of the Board	14.6.2023-14.6.2026
FÜSUN KURAN	Member of the Board (Independent Member)	14.6.2023-14.6.2026
PINAR ILGAZ	Member of the Board (Independent Member)	14.6.2023-14.6.2026

5- SUBSIDIARIES

The table below lists information relating to the direct subsidiaries of Ülker Bisküvi as of June 30, 2024. Detailed information about subsidiaries is included in the notes of consolidated financial table.

Subsidiaries	30-June-2024		31-December-2023		Natie of Operations
	Ratio of Direct Ownership	Ratio of Effective Ownership	Ratio of Direct Ownership	Ratio of Effective Ownership	
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%	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
pladis Kazakhstan ^(*)	100,0%	100,0%	100,0%	100,0%	Manufacturing-Sales
Ulker Star LLC	-	99,0%	-	99,0%	Sales
UI Mena BV.	100,0%	100,0%	100,0%	100,0%	Investment
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

(*) On 30 April 2024, Hamle Company Ltd LLP changed its legal entity name to pladis Kazakhstan.

6- FACILITIES

Ülker Bisküvi has a factory at Esenboğa road 21.km Akyurt / ANKARA. The Ankara Factory, which has one of 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 pladis Gulf 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 82,8% in value January-June 2024. Value growth in biscuit category realised as 73,3%, cake category 91,4 % and in chocolate category growth realised as 92,3% in January June 2024 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 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 January-June period of 2024, the company continued its activities with its customer-oriented, innovative approach, without compromising the principles of quality and high hygiene. Ülker Bisküvi, which removed companies that are not within its main field of activity within the scope of the company's strategy, gathered all production, sales and similar functions under one roof with this new structuring and created a structure that will manage the biscuit-chocolate-cake category from a single source. In order to continue their activities in a more focused structure, to increase corporate governance, efficiency and effectiveness, and to reduce cost the company merged Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. and Ülker Çikolata which are among its domestic subsidiaries operating in the same sector.

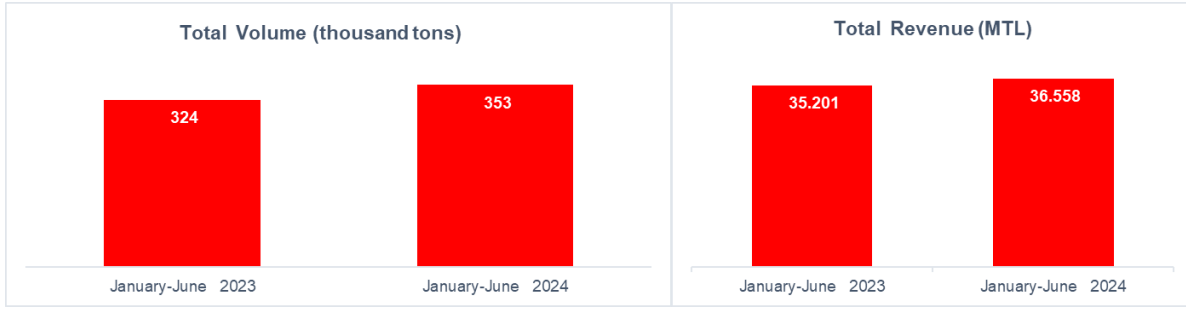
With this new structuring;

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.

In 2024, 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 January-June 2024 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 company has Eurobonds listed on the Irish Stock Exchange, maturing in 2025 and 2031.

On October 30, 2020, the issuance and sale of Eurobonds maturing on October 30, 2025, with a total nominal value of USD 650,000,000 were completed. The tender offer process for these bonds, aimed at the eligible and rightful investors, was finalized on July 10, 2024, with a total of USD 351,709,000 in nominal value tendered.

The issuance and sale of Eurobonds, intended for overseas investors and rated BB (stable) by S&P and BB- (positive) by Fitch, with a total nominal value of USD 550,000,000, were completed on July 8, 2024. These bonds have been listed on the Irish Stock Exchange (Euronext Dublin).

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 10.175 which contains 2.368 employees who worked as subcontractors as of 30.06.2024 (31.12.2023: 9.794, subcontractor: 2.172).

15- MATERIAL EVENTS AFTER THE OPERATING PERIOD

The issuance and sale of bonds with a total nominal value of USD 550,000,000, intended for international investors and rated BB (stable) by S&P and BB- (positive) by Fitch, were completed on July 8, 2024. These bonds have been listed on the Irish Stock Exchange (Euronext Dublin).

On October 30, 2020, the company successfully completed the issuance and sale of Eurobonds maturing on October 30, 2025, with a total nominal value of USD 650,000,000. Of these, USD 351,709,000 was repurchased by the Group from the respective investors, with the settlement process concluding on July 10, 2024.

The funds necessary for this buyback were sourced from the proceeds of the sale of Eurobonds maturing on July 8, 2031, with a total nominal value of USD 550,000,000, which the Group successfully completed on July 8, 2024.

It is planned to merge Önem Gıda Sanayi ve Ticaret Anonim Şirketi, a wholly-owned subsidiary of the company, into the Group through a simplified procedure. This will involve the transfer of all its assets and liabilities as a whole, resulting solely in the elimination of its legal entity status.

In the Official Gazette dated 2 August 2024 and numbered 32620, "Law No. 7524 on Amendments to Tax Laws and Certain Laws and Decree Law No. 375" was published. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the consolidated financial statements.

16- FINANCIAL SUMMARY

Income Statement (TLmn)	2Q24	2Q23	1H'24	1H'23
Sales Revenues	15.309	16.396	36.558	35.201
Growth (%)		-6,6%		3,9%
Gross Profit	4.677	4.485	11.469	10.265
Growth (%)		4,3%		11,7%
Gross Profit Margin	30,6%	27,4%	31,4%	29,2%
EBITDA	2.935	2.862	7.317	6.734
Growth (%)		2,6%		8,7%
EBITDA Margin	19,2%	17,5%	20,0%	19,1%

Balance Sheet (TLm)	30.06.2024	31.12.2023
Current Assets	47.886	46.136
Non-current Assets	28.367	30.688
Current Liabilities	16.466	19.268
Non-current Liabilities	33.777	32.855
Shareholders Equity	26.010	24.700
Net Financial Debt	18.017	20.354