



ANNUAL REPORT 2024

Sharing Happiness

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We are thrilled to be one of Türkiye's most beloved brands. With our rich history and extensive experience, we are dedicated to continuous improvement, consistently pushing our boundaries and leveraging the deep industry knowledge of our teams. We prioritize innovation and digitalization across our operational processes and product offerings; and our sustainability efforts are shaped by production methods that respect both nature and people. We actively involve all stakeholders, including producers, suppliers, business partners, and consumers. As Türkiye's Ülker, we are committed to achieving the best outcomes.

Sharing the good

Through our waste-free corporate model, we utilize resources efficiently while honoring our commitment to nature and people. Our robust sales network enables us to reach consumers from Edirne to Kars, serving 190 thousand sales points each week. We strive to add value to our country by means of employment, production, investments, and exports. As our products accompany you in joyful moments, we work to build a sustainable future.

190 thousand

Sales points reached weekly



Sharing the work

Our farmers are vital stakeholders in our mission, cultivating the land of our country with dedication. By means of their hard work, our farmers transform soil into nourishing crops that significantly influence the flavor of our products. We involve farmers in our initiatives to combat climate change, implementing wheat -, cocoa-, and hazelnut-focused projects that promote a sustainable supply of raw materials.

160

Number of farmers reached

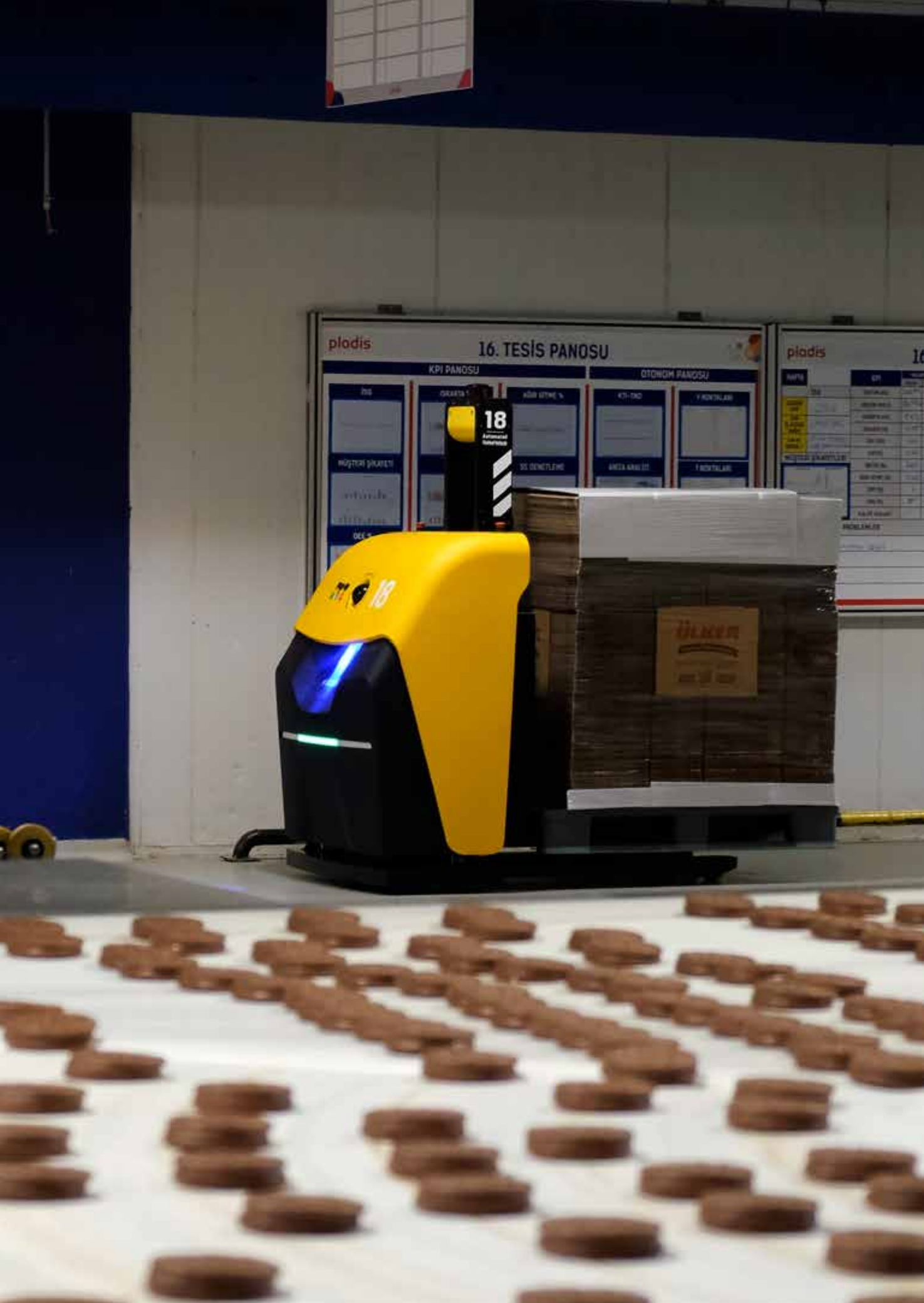


Sharing the technology

We keep abreast of digitalization trends and invest in automation and technology at our production plants. At our Gebze plant, we deploy robots to transport raw and packaging materials. We leverage the latest technology to control the entire process lifecycle, from the minute that raw materials enter the factory to the moment that they are shipped out.

20

Autonomous robots



Sharing innovation

As Ülker Bisküvi, we strive for success by embracing innovation and adapting to consumer preferences and changing market conditions. We closely monitor and analyze digital trends, shifts in consumer behavior, and emerging motivations in snack consumption. Our innovative product development strategy, crafted in our two R&D centers, informs our decision-making process. We are dedicated to delivering happiness to our consumers in every bite.

1,500+

R&D projects



Ülker Bisküvi in 2024

In September 2024, Ülker Çikolata was recognized as Türkiye's most popular brand, while Ülker Pötibör celebrated its 80th anniversary.



January

On January 2, Ülker ranked first for the second consecutive time in its category for its ESG (Environmental, Social & Governance) performance among companies evaluated by the London Stock Exchange Group, an international financial analysis and reporting organization.



February

Ülker provided fertilizer training to female farmers in Giresun as part of the More than Hazelnuts Project.



March

Ülker received an award for the Aliğa Bisküvi Wheat Project at the Fast Company Türkiye Magazine Türkiye Agriculture Awards.



July

Ülker issued USD 550 million in bonds abroad.



August

Ülker became a supporter of the Turkish National Paralympic Committee



September

In September 2024, Ülker Çikolata was recognized as Türkiye's most popular brand, while Ülker Pötibör celebrated its 80th anniversary.



April

During Eid al-Fitr, Ülker placed 67 different product varieties on the shelves.



May

The top three finalists of bizz@kampüs, a competition for innovative marketing-oriented ideas for Ülker Çizi, were announced. The competition attracted over 2,500 students and 1,002 teams from 97 universities.



June

Ülker won the ISO Green Transformation award in the Sustainability Management category.



October

In response to the trend of seeking new Flavors, Ülker Çikolata introduced its Famous Dubai Flavor to consumers.



November

Ülker received four awards at the Global Banking & Markets: CEE, CIS & Türkiye Awards.



December

Five different products under the name Ülker GO Ahead, including no added sugar, high-fiber, nut, fruit, and protein bars, have hit the shelves.

Ülker in Numbers

Ülker exports to over 100 countries with 13 factories across the globe.

10 thousand+
Employees

100+
Export countries

13 factories
around the world

Market leader in
Türkiye with
35%
market share

Türkiye

Capacity:

1.3 million tons/year

Saudi Arabia

Capacity:

73 thousand tons/year

Kazakhstan

Capacity:

35 thousand tons/year

Egypt

Capacity:

37 thousand tons/year

Message from the Chairman

In addition to leading Türkiye's biscuit market, Ülker Bisküvi maintains its leadership in Saudi Arabia and Egypt and is experiencing robust growth in Kazakhstan and other Central Asian countries.



Ülker Bisküvi collaborates with farmers and other stakeholders to ensure a consistent supply of quality raw materials and to integrate sustainable agricultural practices into our production processes.

Dear Stakeholders,

In 2024, Ülker Bisküvi celebrated its 80th anniversary, achieving further growth in the Turkish market through innovative products and reinforcing its leadership through international operations. The Company concluded another successful year marked by sustainability projects, new innovative offerings for consumers, and numerous awards.

Despite challenging economic and geopolitical conditions around the world, Ülker Bisküvi closed 2024 with solid financial results, remaining focused on its vision of transforming our country into a stronger production and export hub. In addition to leading Türkiye's biscuit market, Ülker Bisküvi maintains its leadership in Saudi Arabia and Egypt and is experiencing robust growth in Kazakhstan and other Central Asian countries.

Ülker Bisküvi's sustainability initiatives, guided by the "Waste-Free Company" philosophy, progressed significantly in 2024. Through the implementation of sustainability projects that set benchmarks for both the industry and society, our Company has not only minimized the environmental impact of our production activities but also fostered societal development and prosperity. These efforts aim to solidify Ülker's position in the industry, and in the hearts of consumers.

Global trends are reshaping the agricultural sector, making it essential to adopt sustainable agricultural practices, leverage innovation and technology, and optimize raw material supply processes to ensure food safety. Ülker Bisküvi collaborates with farmers and other stakeholders to maintain a consistent supply of quality raw materials while integrating sustainable agricultural practices into its production processes. The Company also develops specific projects related to hazelnuts, wheat, and cocoa to further enhance these efforts.

With more than eight decades of experience in the food industry, we aim to carry the Ülker Bisküvi legacy with you for many more years, always putting the consumer first at every step.

I would like to express my heartfelt gratitude to our managers, our colleagues, and all our stakeholders for their invaluable contributions to this process.

Respectfully yours,

Ahmet Bal
Chairman of the Board

From the Management



Message from the CEO

Our revenue reached TL 84.1 billion, driven by our diverse workforce and our agile, proactive management approach.



While maintaining our strong market position through a solid financial performance, we also introduced innovative products that align with current trends.

18.5%

EBITDA Margin

51

New Products

Dear Stakeholders,

Not only did we celebrate Ülker Bisküvi's 80th anniversary in 2024, we also achieved remarkable results in both our financial performance and our innovative projects. We have achieved our pledge of "happiness" for society and for our team of more than 10,000 employees by delivering through the brands produced in our 13 factories.

Despite uncertainties stemming from global economic instability and geopolitical conflicts, our country demonstrated strong solidarity and determination in 2024, taking important steps to navigate this challenging period. Our 80-year heritage as a trusted brand has solidified these efforts by adding value in production, exports, and employment. While maintaining our strong market position through a solid financial performance, we also introduced innovative products that align with current trends. We take immense pride in contributing to equal opportunities by means of collaborations that foster social solidarity and unity.

In 2024, we prioritized strengthening our governance structure and elevating our resilience to sustainability risks to achieve our goal of building a robust global food system. Consequently, we improved our environmental sustainability and social benefit, both within our organization and through initiatives that serve as examples for the industry and society.

Steady growth from local to global

In 2024, we experienced consistent growth in Türkiye as well as in our export and international operations. With our workforce strategically located across various regions and our agile and proactive management approach, our revenue reached TL 84.1 billion, and our consolidated EBITDA margin stood at 18.5%. Market Share data show that we maintained our leadership in the biscuit market in Saudi Arabia and Egypt, while also achieving strong growth in Kazakhstan and other Central Asian countries.



51 new products

As Ülker, we have recognized the critical importance of innovation for our industry since our inception. Adaptation to rapidly changing consumer preferences and dynamic market conditions has been key to Ülker's success. In today's competitive landscape, staying innovative and quickly responding to changing trends is essential. We analyze shifts in consumer behavior, digital trends, and new motivations for snack consumption to shape our roadmap, guided by the innovative product development strategies developed at our two R&D centers.

In the past five years, we have introduced more than 250 new products to the market. Our innovative offerings now represent 15% of our total domestic revenue. In 2024 alone, we launched 51 new products for consumers. A highlight of our product development success in 2024 was Ülker Çikolata's acclaimed Dubai Flavor; we launched this product to consumers immediately after the Dubai chocolate went viral on social media. According to the "Türkiye's Lovemarks 2024 Survey" conducted by Mediacat-Ipsos, Ülker Çikolata was named the most loved chocolate brand in Türkiye, underscoring the effectiveness of our consumer-focused innovation strategy.

Production investments with a focus on automation and digitalization

Our investments in digitalization and the Internet of Things (IoT) span various areas, from production and distribution to ordering and customer experience. We consistently monitor digitalization trends and invest in

automation and technology at our production facilities. In our Gebze factory, robots transport raw and packaging materials. Additionally, this plant has become a leader in implementing Industry 4.0 practices within Ülker Bisküvi and the food industry.

We are a pioneer in the food industry with our sustainability approach

Sustainability is always at the core of our business practices. Today, Ülker is dedicated to sustainability across multiple areas, including human resources, water and energy conservation, raw material sourcing, and production quality. Since 2014, we have been achieving growth without raising CO₂ emissions. When determining our sustainability projects, we prioritize water efficiency, food waste prevention, and responsible raw material procurement.

In 2024, we developed our Net Zero Roadmap for 2030 and 2050. Since 2014, we have reduced carbon emissions per unit of production (scope 1 & 2) by 52% and water usage per unit of production by 42%. Through the Water Risks Project, we played a significant role in promoting drip irrigation and surpassed our goal of a 30% reduction in water use. Additionally, we continued to support sustainable agricultural practices and enhance farmer welfare through our More than Hazelnuts and More than Cocoa projects in Côte d'Ivoire. We have also set a target to implement restorative agricultural practices on 10,000 decares of land by 2030.

In 2024, we were included in Borsa Istanbul's Sustainability 25 index.

In 2024, we issued a sustainability-linked eurobond worth USD 550 million.

All our factories in Türkiye achieved an impressive 99% conversion rate of raw materials into finished products and a 98% waste recycling rate, earning the "Zero Waste to Landfill" certificate. We source all our factories' electricity from renewable energy. Additionally, we became the first company in Türkiye to receive the Breeam Green Building Certificate in the production sector, with plans to pursue this certification for two more factories in 2024. We also reduced our logistics-related carbon emissions by 20%.

Our first sustainability-linked bond issuance garnered significant interest

In 2023, we secured a sustainability-linked loan valued at USD 410 million. In 2024, we issued USD 550 million in sustainability-linked eurobond, with plans to allocate part of these resources for our sustainability investments.

According to the London Stock Exchange Group's (LSEG) Environmental, Social, and Governance (ESG) performance assessment of publicly traded companies, we ranked first in our category, achieving the highest score among over 450 food companies worldwide from January 8-15, 2024. We were also included in Borsa Istanbul's Sustainability 25 index in 2024.

We participated in S&P Global's Corporate Sustainability Assessment for the fourth time. Among the nine Turkish companies involved, we were the only one in the food products category. This assessment evaluates companies based on various criteria, including energy use, water consumption, emissions, waste management, human rights, labor practices, social responsibility, supply chain management, and responsible production.

As Ülker Bisküvi, our significant accomplishments have been recognized on numerous award platforms, both in Türkiye and internationally.

We draw our strength from our employees. Investing in the happiness, engagement, and health of our colleagues, who have been instrumental in our successes, is one of our primary responsibilities. As we shaped our business culture around diversity and inclusion in 2024, we celebrated our employees' achievements through initiatives such as the "Stars of the Year," "Star of the Month," "Instant Rewarding," and "Mind Cube" programs. We also continued to support talent development and career advancement through programs like "Mentor-Mentee" and "Blue Collar Buddy." These efforts have led us to be recognized as one of the best employers in Türkiye, earning the Top Employers Certificate for three consecutive years.

Young talent is essential for enhancing a company's capacity for innovation, dynamism, and competitive advantage. Thus, attracting young professionals is a strategic investment for both our present and future. As we strive to become the most preferred company for talent in our industry, we are excited to engage with young people through the "Commercial Talent" recruitment program and the bizz@campus competition.

Support for Paralympic Athletes and the Star Girls of the Future

We continue to foster a spirit of solidarity and unity in society through our support for sports and our collaborations with sports clubs. In 2024, as part of our cooperation agreement with the Turkish National Paralympic Committee, we maintained our support for disability sports and the Paralympic movement. Our national athletes achieved remarkable success at the 2024 Paris Paralympics.

We were also thrilled with the progress of our "TFF Ülker Star Girls of the Future" project, which we launched in collaboration with the Turkish Football Federation to provide equal opportunities for girls, nurture their talents, and fully support their dreams. Out of 809 applicants, 33 girls were selected for the U15 Preparatory Camp, and 13 of our Star Girls have been included in the U15 National Team pool. As the official sponsor of the A National Team, we developed an advertising campaign for Euro 2024 with the motto "Memleket Kalbimde" (Homeland in My Heart), highlighting love for the homeland and the moments shared with Ülker products.

ÜLKER- TÜRKİYE MİLLİ PARALİMPİK KOMİTESİ İŞ BİRLİĞİ ANLAŞMASI İMZA TÖRENİ



ÜLKER- TÜRKİYE MİLLİ PARALİMPİK KOMİTESİ İŞ BİRLİĞİ ANLAŞMASI

Drawing on our strong growth performance in Türkiye and the other regions where we operate, we are committed to cementing our status as a pillar of our country.

As we celebrate our 80th anniversary in 2024, we recognize that our success is a result of collaboration with all the stakeholders in our value chain, from colleagues and consumers to farmers and suppliers. As Ülker, we will remain a pioneer in our production journey, inspired by our century-old Republic and empowered by your support. Drawing on our strong growth performance in Türkiye and the other regions where we operate, we are committed to cementing our status as one of the pillars of our country. We are committed to working harder for a brighter future and taking significant strides in innovation, digitalization, product supply, and enhancing our distribution network. We extend our heartfelt thanks to all our stakeholders, colleagues, and consumers for their support as we advance together to achieve these goals.

Best regards,

Mete Buyurgan
CEO

About pladis

As a responsible business, delivering the highest quality products and exceptional service, pladis' products have the potential to reach more than four billion people across the world.



pladis is one of the world's fastest growing snacking companies and its portfolio includes much loved brands including McVitie's, GODIVA and Ülker. pladis also owns regional brands Jacob's, Go Ahead, Flipz, Turtles, BN, Verkade and many more products across sweet and savoury biscuits, wafer, cake, and chocolate.

Formed in 2016, pladis is the proud steward of over 300 years of family baking and confectionery experience. The expertise of its 16,000-strong global workforce spans 27 bakeries across 11 countries and is founded on collaboration, agility and resilience. As a responsible business, delivering the highest quality products and exceptional service, pladis' products have the potential to reach more than four billion people across the world.

As a global leader in premium chocolate, GODIVA was founded in Brussels in 1926 by master Belgian chocolatier, Pierre Draps. It has an established global footprint across more than 100 markets where customers can expect to find GODIVA products in many fine retailers, online, and, depending on the market, at brick-and-mortar locations like boutiques and cafes.

GODIVA Company was acquired in 2008 by Yıldız Holding of Türkiye. pladis and the GODIVA Company are wholly owned subsidiaries of Yıldız Uluslararası Gıda Yatırımları A.Ş.

The expertise of its 16,000-strong global workforce spans 27 bakeries across 11 countries and is founded on collaboration, agility and resilience.

pladis in figures

11

Countries

27

Factories

16 thousand+

Employees

operation Map



Key Financial and Operational Indicators

Ülker Bisküvi achieved successful results with its strong sales performance in all regions and disciplined cost and purchasing method.

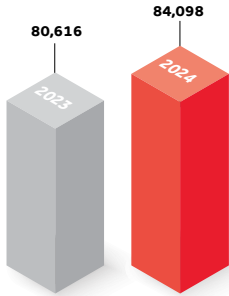
Summary Balance Sheet (TL Million)	2023	2024
Current Assets	53,402	65,110
Non-Current Assets	35,521	32,327
Short-term Liabilities	22,303	28,444
Long-term Liabilities	38,030	35,517
Shareholders' Equity	28,590	33,476

Summary Income Statement (TL Million)	2023	2024
Revenue	80,616	84,098
Gross Profit	23,356	25,066
EBITDA	15,305	15,596
Profit/Loss for the Period (Equity Holders of the Parent)	4,878	7,401

Ratios	2023	2024
Gross Profit Margin (%)	29.0	29.8
EBITDA Margin (%)	19.0	18.5
Net Profit/Loss Margin (Equity Holders of the Parent) (%)	6.1	8.8
Earnings per Share (1 TL Nominal) (%)	13.2	20.0

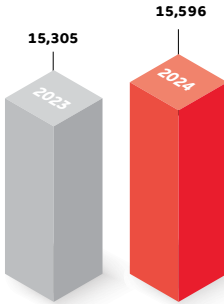
Revenue (TL Million)

4% GROWTH ↗



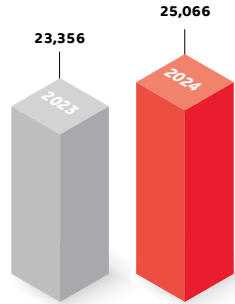
EBITDA (TL Million)

2% GROWTH ↗



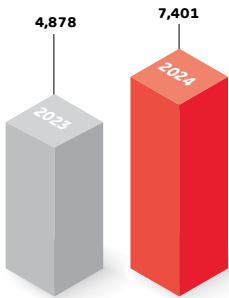
Gross Profit (TL Million)

7% GROWTH ↗



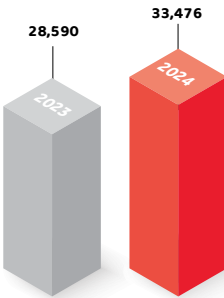
Profit/Loss for the Period (Equity Holders of the Parent) (TL Million)

52% GROWTH ↗



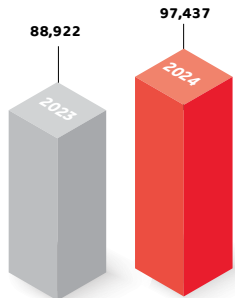
Shareholders' Equity (TL Million)

17% GROWTH ↗



Total Assets (TL Million)

10% GROWTH ↗



Sales Volume and Revenue Growth

Sales Volume by Category (Thousand tons)	2023	2024
Biscuit	326	338
Chocolate	224	227
Cake	53	56

Net Sales by Category (TL Million)	2023	2024
Biscuit	32,263	31,283
Chocolate	38,841	42,298
Cake	6,143	6,435

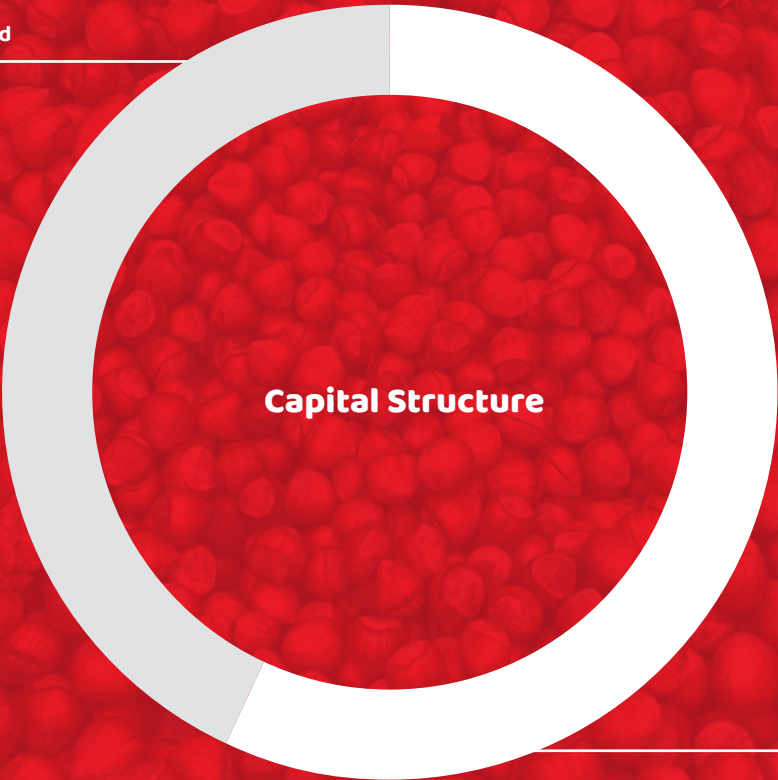
Capital Structure

Breakdown of shareholder holding more than 5% of the shares in the capital or Voting rights.

Name of the Partnership	Share in Capital (TL)	Share Ratio (2024)
pladis Foods Limited	174,420,000	47.23%
Other	194,855,855	52.77%
Total	369,275,855	100.00%

As of 2024, pladis Foods Limited holds 47.23% of Ülker Bisküvi's share capital, while other shareholders hold 52.77%.

47%
pladis Foods Limited



53%
Other

Ülker Bisküvi Production Facilities

Ülker Bisküvi continues uninterrupted production with 9 factories across Türkiye and 13 factories in total.

Silivri, Istanbul Factory

Chocolate and chocolate covered biscuit
Establishment: 1998
Capacity: 31 thousand tons/year

Topkapı, Istanbul Factory

Chocolate, cocoa powder, chocolate drop, chocolate flakes, and couverture chocolate
Establishment: 1974
Capacity: 220 thousand tons/year

Topkapı Önem Food Factory

Cocoa powder, cocoa oil, cocoa mass, chocolate dough
Establishment: 1965
Capacity: 152 thousand tons/year

Ankara Factory

Biscuit, wafer, and cracker
Establishment: 1969
Capacity: 153 thousand tons/year

Önem Gıda Ankara Factory

Flour
Establishment: 2012
Capacity: 244 thousand tons/year

Gebze, Kocaeli Factory

Biscuit, cracker, and cake
Establishment: 1997
Capacity: 188 thousand tons/year

Giresun Factory

Whole hazelnuts, chopped hazelnuts, hazelnut puree
Establishment: 1995
Capacity: 6 thousand tons/year

Karaman Factory

Flour, biscuit, cake, cracker & chocolate
Establishment: 1986
Capacity: 205 thousand tons/year

Ülker Bisküvi Karaman Factory

Flour
Establishment: 2012
Capacity: 64 thousand tons/year (Finished product)

Kazakhstan Factory

Biscuit, chocolate and cake
Establishment: 1997
Capacity: 35 thousand tons/year

Egypt Factory (Hi-Food)

Biscuit
Acquired: 2016
Capacity: 37 thousand tons/year

Saudi Arabia Factory (FMC)

Biscuit, chocolate and cake
Acquired: 2016
Capacity: 49 thousand tons/year

Saudi Arabia Factory (IBC)

Biscuit and chocolate
Acquired: 2018
Capacity: 25 thousand tons/year

Ülker Bisküvi maintains its strong position in the sector by adopting an approach focused on efficiency, sustainability, and innovation at every stage, from production to sales.

Productivity

- Becoming the most productive company in all segments of the industry,
- Reduce production costs without compromising quality within the scope of operational efficiency,
- Achieve higher efficiency and productivity in distribution channels and points of sale by cutting cost of sales,
- Increase production efficiency, improve planning, and forecast accuracy with new generation digitalized technology.

Brand Investments

- Interpret consumer demands correctly, and make sure that our consumers reach the products developed in line with consumer needs at the most affordable price and quality,
- Offer our powerhouse brands to consumers at reasonable prices,
- Ensure the continuity of our brand investments,
- Offer new products to consumers.

Our Growth Strategies

- Carry out sustainability activities with long-term goals under the headings of the value chain, employees, society, and our world with the wasteless company model,
- Achieve strong results that will satisfy all of our stakeholders,
- Maintain corporate governance practices at the highest level,
- Reach new consumers in a wider region, implement synergy activities both in the field and in production,
- Increase the current brand awareness further in Türkiye, North Africa, Central Asia, and the Middle East,
- Increase our operating profitability by achieving higher sales volumes and revenues in the biscuit, chocolate, and cake categories,
- Expand our business to become a strong regional player with our global, regional and local brands,
- Get positioned in the region as the main production base with the acquisition of pladis Gulf FZE and pladis Arabia International Manufacturing Company, following the acquisition of the pladis Arabia Food Manufacturing Company in Saudi Arabia, and create synergy in the fast-growing Middle East market by enabling faster access,
- Get positioned in Egypt, where consumption grows rapidly, as the central and main production base for North Africa sales with pladis Egypt for Food Industries S.A.E. and enhance our strength in the region with the production operations of McVitie's,
- Take a strategic position as the main hub for transportation to Central Asia and China and meet new consumers in regions where consumption is increasing rapidly through investments made with our pladis Kazakhstan company in Kazakhstan and the pladis Confectionery company we established to carry out sales, distribution, and marketing activities of our product portfolio in Uzbekistan.



Subsidiaries and Financial Investments

Ülker Bisküvi aims to maximize synergy with its subsidiaries and enhance its effectiveness and efficiency by adopting a more oriented and simplified structure.

Taygeta Gıda Üretim ve Pazarlama A.Ş.

Taygeta Gıda Üretim ve Pazarlama A.Ş. was established to deal with the production, import, export, marketing and sales of all categories of food products; to establish package and packaging facilities related to the production and trade of foodstuffs; to manage the production, purchase, sale, import, export and marketing process of machinery useful for these facilities; and to provide consultancy services to real and legal persons.

Godiva

With Godiva Belgium BVBA, in which Ülker Bisküvi has a 12.95% direct stake, and G-New Inc, in which Ülker Bisküvi has an 18.35% stake, Godiva Chocolatier Inc. is the owner of the Godiva brand, the world's leading brand of premium chocolate and chocolate-coated products. In 2008, Yıldız Holding acquired Godiva Chocolatier Inc. for USD 850 million, the largest overseas acquisition by a Turkish company. Silivri Factory has become the production hub for Godiva Masterpiece chocolate. GODIVA continues to function as a subsidiary of Yıldız Uluslararası Gıda Yatırımları A.Ş.

pladis Egypt for Food Industries S.A.E.

pladis Egypt for Food Industries S.A.E. was established on January 15, 2004. Its mission is to produce biscuits in the factory in Egypt and to sell these to the internal market and the internal countries in the region.

pladis Arabia Food Manufacturing Company

pladis Arabia Food Manufacturing Company was established on January 25, 2000. Biscuits, chocolates, and cakes are manufactured in the factory in Saudi Arabia for sale in the domestic market and the countries in the region.

pladis Kazakhstan LLP

Acquired in 2017 from Maia International B.V. which 100% is owned by Yıldız Holding A.Ş. In the factory located in Kazakhstan, biscuits, cakes and coated chocolate are produced to sell to the domestic market and the countries in the region.

pladis Gulf FZE

In line with its strategy, Ülker Bisküvi bought, in 2017, U1 Mena BV, the sole shareholder of Amir Global Trading FZE, which owns the distribution rights of United Biscuits Limited products in Saudi Arabia, the Middle East, and North Africa. On December 11, 2023, the name of the company changed to pladis Gulf FZE.

pladis Arabia International Manufacturing Company

In line with its 2018 strategy, Ülker Bisküvi acquired the entire shares of pladis Arabia International Manufacturing Company, which was owned by UB Group Limited, a subsidiary of Yıldız Holding. Biscuit and coated chocolate production is carried out at the factory located in Saudi Arabia.

F.E. pladis Confectionary LLC

pladis Confectionery was established in 2024 to carry out sales, distribution, and marketing operations of the Ülker Bisküvi product portfolio in Uzbekistan.



Subsidiaries	December 31, 2024		December 31, 2023		Main Field of Activity
	Direct Ownership Rate	Effective Ownership Rate	Direct Ownership Rate	Effective Ownership Rate	
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.00%	100.00%	100.00%	100.00%	Trade
Reform Gıda Paz. San. ve Tic. A.Ş.	100.00%	100.00%	100.00%	100.00%	Trade
UI Egypt B.V.	51.00%	51.00%	51.00%	51.00%	Investment
pladis Egypt for Food Industries S.A.E.(*)	-	51.40%	-	51.40%	Production-Sales
Sabourne Investments Ltd.	100.00%	100.00%	100.00%	100.00%	Investment
pladis Arabia Food Manufacturing Company(*)	-	55.00%	-	55.00%	Production-Sales
pladis Kazakhstan(*)	100.00%	100.00%	100.00%	100.00%	Production-Sales
Ulker Star LLC	-	99.0%	-	99.0%	Sales
UI Mena B.V.	100.00%	100.00%	100.00%	100.00%	Investment
pladis Gulf FZE	-	100.00%	-	100.00%	Sales
pladis Egypt for Trading and Marketing S.A.E.(*)	-	99.80%	-	99.80%	Sales
pladis Arabia International Manufacturing Company(*)	100.00%	100.00%	100.00%	100.00%	Production-Sales
Önem Gıda Sanayi ve Ticaret A.Ş.(**)	-	-	100.00%	100.00%	Production-Sales
Taygeta Gıda Üretim ve Pazarlama A.Ş. (***)	100.00%	100.00%	-	-	Trade Consulting
F.E. pladis Confectionary LLC(****)	100.00%	100.00%	-	-	Sales

(*) On April 30, 2024, Hamle Company Ltd LLP changed its legal entity name to pladis Kazakhstan, on September 22, 2024, International Biscuits Company changed its legal entity name to pladis Arabia International Manufacturing Company, on September 18, 2024, Food Manufacturers Company changed its legal entity name to pladis Arabia Food Manufacturing Company, on May 26, 2024, Hi Food for Advanced Food Industries changed its legal entity name to pladis Egypt for Food Industries S.A.E. and on May 26, 2024, Ulker Egypt for Trading and Marketing changed its legal entity name to pladis Egypt for Trading and Marketing S.A.E.

(**) On August 29, 2024, the Company merged with Önem Gıda Sanayi ve Ticaret A.Ş., in which it held a 100% stake.

(***) Taygeta Gıda Üretim ve Pazarlama A.Ş. was established on September 23, 2024.

(****) F.E. pladis Confectionary LLC was established on November 22, 2024.

Ülker Bisküvi continues its efforts to become a “net zero company by 2050” by controlling greenhouse gas emissions in all areas.

Ülker Bisküvi celebrated its 80th anniversary in 2024, a year marked by economic difficulties and regional political conflicts in Türkiye and around the world, and concluded the year successfully with projects and activities that further strengthened its leadership.

Ülker Bisküvi, which has been growing without any increase in carbon emissions since 2014 with a production approach that respects nature and people, continues its efforts to become a “net zero company by 2050” by controlling greenhouse gas emissions in all areas. In 2024, the Company introduced various practices and improvements ranging from water and energy savings to sustainable raw material procurement, human resources, and production quality.

Ülker Bisküvi has joined the Science Based Targets Initiative (SBTi) with a 2030 interim target (42% for Scope 1&2 emissions and 30% for Scope 3 emissions) and a 2050 net zero commitment. Sustainability has prepared the 2030 and 2050 net zero decarbonization road map as part of its “Net Zero” goal. In addition, it procured all of its electricity consumption from renewable energy sources in 2024.

According to Global Data*, the total snacks market will reach approximately USD 802.5 billion in 2024, growing by 9.3% year-on-year. Turkish retail trade data shows that the snacks category grew by 5% in total volume in 2024.

* <https://www.globaldata.com/>

Ülker Bisküvi issued its first sustainability linked eurobond with a total value of USD 550 million and a 7-year maturity.

B

2024 Carbon Disclosure Project (CDP) climate change score

As in previous years, Ülker Bisküvi concluded 2024 as the leader of the snacks market. Market shares by category in terms of turnover were 38% for biscuits, 22% for cakes, and 40% for chocolate.

First Sustainability-Linked Eurobond Issuance

Ülker Bisküvi issued two sustainability-related bonds with a total value of USD 550 million and a 7-year maturity. More than 100 international investors from 20 countries participated in the bond issuance, which attracted significant global interest. While maintaining its strong financial performance, Ülker Bisküvi continued to improve its production, supply, and logistics infrastructure with an agile management approach and increased its investments in R&D, innovation, digitalization, and sustainability. In 2015, Ülker Bisküvi became the first food company to be included in the BIST Sustainability Index, and in 2024, it was also included in the BIST Sustainability 25 index.

Ülker Bisküvi has taken an important step to support its sustainable growth and capital strategy priorities. The Company signed an agreement with the International Finance Corporation (“IFC”), a member of the World Bank Group, to utilize a sustainability-linked loan amounting to EUR 75 million with a maturity of 2 years.

Support to Agriculture

When it comes to the future of food, transformation and sustainability, redesigning agricultural production, food security, combating food waste, and strengthening the resilience of the supply chain are at the forefront. Ülker Bisküvi has been working with a waste-free corporate culture since its establishment. It aims to contribute to this transformation and support the creation of a more resilient global food system through its sustainability activities. To this end, it continues to work in line with its sustainability approach, categorized under the main headings of the world, value chain, employees, and society. Regarding the climate crisis, one of the main focuses of its sustainability strategy, the Company is taking firm steps towards its goal of becoming a net zero carbon company by 2050. In addition, it continues to support agriculture with the Beyond Cocoa and Beyond Hazelnuts projects for sustainable raw material supply, and restorative agriculture projects in wheat. As part of these projects, it provides trainings on good agricultural practices and social support.



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As part of its target of implementing restorative agriculture practices on 10,000 decares of land by 2030, Ülker Bisküvi started restorative agriculture projects with 10 wheat farmers on approximately 300 decares of land in 2024. As part of the Beyond Cocoa Project in collaboration with our long-term partner, Earthworm Foundation, it has been verified that we procure cocoa from regions that have not experienced complete deforestation by directly sourcing it from four cooperatives in the supply chain. As part of the Beyond Hazelnut Project, 100 farmers, including 33 women, were trained on sustainable agricultural techniques, fertilizer, composting, hazelnut pests, and proper control of weeds and diseases.

Global Trails of Success

Ülker Bisküvi's achievements on national and international platforms continued in 2024. Ülker Bisküvi was included in S&P Global's Corporate Sustainability Assessment for the fourth time, ranking as one of the nine Turkish companies in this assessment and the only Turkish company in the food products category.

Ülker Bisküvi, which maintained its Carbon Disclosure Project (CDP) climate change score of B and increased its water security score to B in 2024, ranked first in the world with the highest score among more than 450 food companies worldwide in the Environmental, Social and Governance performance (ESG) assessment of publicly traded companies by LSEG (London Stock Exchange Group), an international financial analysis and reporting organization, according to the January 8-15, 2024, assessment.

The Company received four awards for its financial achievements at the S&P Global Banking & Markets CEE, CIS & Türkiye Awards.

Ülker Bisküvi was awarded in the ESG Bond Deal of the Year category for its USD 550 million sustainability-linked eurobond issuance, in the Debt Management Deal of the Year category for its USD 351 million bond repurchase offer, and in the Mergers and Acquisitions Deal of the Year category for its successful mergers and acquisitions processes, and the Investable Corporate Treasury and Finance Team of the Year Award for effectively managing its financial structure.

At the Sustainable Food Awards organized for the second time in 2024, the "Green Route of Sustainability" project won first place in the "Supply Chain" category, and at the 11th Sustainable Business Awards 2024, organized by the Sustainability Academy, the company won first place in the production sector in the "Waste Management" category.

Power of Innovation

Ülker Bisküvi introduced 51 new products in Türkiye in 2024 and over 250 new products in the last 5 years. The revenue contribution of new products in Türkiye operations was 15%. In terms of new product development, Ülker Çikolata achieved significant success with Meşhur Dubai Lezzeti. Immediately after this product went viral on social media, Ülker Çikolata Meşhur Dubai Lezzeti was introduced to consumers.

Ülker Bisküvi continuously improves its production, supply, and logistics infrastructure from end to end, while prioritizing its investments in R&D, innovation, digitalization and sustainability.

At Ülker Bisküvi, over 1,400 small technical improvements and 124 kaizen (Yıldız Development Teams) projects were implemented.

15%

Domestic Revenue Contribution of the New Products in 2024

Ülker Bisküvi determines its road map and innovative and innovation-based product development strategies with its two R&D centers.

The holistic well-being trend, which prioritizes the physical, mental, and spiritual health of the person, has gained significant momentum worldwide, particularly since 2020. The increasing consumption and sales volume of products in this area has brought significant growth opportunities for the Turkish market as well. With this understanding and insight into consumer behavior, 5 Ülker GO Ahead branded products consisting of cereals, nuts, and fruit bars were introduced.

Investing in Automation and Digitalization in Production

Today, technologies such as artificial intelligence, automation, big data analytics, and the internet of things come to the fore. Ülker Bisküvi closely follows technology, especially IoT and Industry 4.0, and closely monitors supply chain processes, consumer behaviors and trends. Ülker Bisküvi has more than 100 robots in its production facilities, with 20 autonomous mobile robots, which have the capacity to work continuously, perform repetitive tasks with precision, and provide communication between machines, in its Gebze factory. These robots are used to transport raw materials and packaging materials.

Sustainability and Financial Growth

Ülker Bisküvi continuously improves its production, supply, and logistics infrastructure from end to end, while prioritizing its investments in R&D, innovation, digitalization and sustainability. In this context, the Company implemented many different projects on climate crisis, energy efficiency, digitalization in OHS processes, water efficiency, afforestation, process optimization, sustainable agriculture, circular economy, and diversity and inclusion, and invested a total of TL 115 million in 2024. Continuing its journey of continuous improvement in terms of productivity at full speed in 2024, Ülker Bisküvi carried out over 1,400 small technical improvements and 124 kaizen (Star Development Teams) projects. In addition, 15 End-to-End Value Stream Mapping projects have been completed, resulting in a total savings of TL 215 million.

Despite all challenging conditions, Ülker Bisküvi completed 2024 with successful business results thanks to its strong, agile, and proactive structure, workforce spreading across wide geographies, effective strategies, and successful management. Ülker Bisküvi's turnover increased by 4% compared to the same period of the previous year and reached TL 84.1 billion. In Türkiye, the share of the Company's operations in turnover was 70%, while the share of exports and overseas operations in turnover was 30%. Maintaining its strong position in the region, Ülker Bisküvi remains the leader in the biscuit market in Saudi Arabia and Egypt and continues its strong growth trend in Kazakhstan and Central Asian countries.

Sectoral Relations

Ülker Bisküvi works in cooperation with public institutions, NGOs, trade associations, and other relevant institutions or organizations. Ülker Bisküvi contributes through these relationships to its corporate values such as combating climate change, digitalization, gender equality and diversity, and supporting operational improvements. Ülker Bisküvi contributed a total of TL XX to support trade associations and sectoral organizations. In compliance with code of ethics, the Company did not make any donations or support to politicians and political parties in 2024.

Management System Certifications

Managing the environmental and social impacts of its operations according to the Management System established within the framework of its Environmental and Occupational Health Policies, Ülker Bisküvi holds ISO 14001, ISO 50001, ISO 9001, ISO 45001, and ISO 22001 certificates in all its factories in Türkiye. In 2019, Gebze Factory was granted a BREEAM Green Building certification at GOOD level, becoming the first building with this certification in its field. In addition, all Ülker Bisküvi Factories received the "Zero Waste to Landfill" certificate and the Green Check Certificate at the Gold level in 2024.

Occupational Health and Safety

Ülker Bisküvi, providing basic OHS trainings to its employees within the framework of online training programs in 2024, has managed to keep the Lost Time Accident Rate (LTAR) below 1 for the last three years through cultural studies and the strengthening of technical barriers and completed 2024 with an LTAR of 0.62.

Support for Paralympic Athletes and the Star Girls of the Future

Ülker Bisküvi supported disabled sports and Paralympic activities as part of the cooperation agreement signed with the Turkish National Paralympic Committee in 2024. Moreover, in the TFF Ülker Star Girls of the Future, implemented in collaboration with the Turkish Football Federation to provide equal opportunities for girls, discover their talents, fully support their dreams, and enhance the talent pool of the U15 Girls National Team, 33 star candidates were selected for the U15 Preparatory Camp from 809 applications, 13 star girls were included in the U15 national team pool.

Ülker Bisküvi will continue its efforts in the coming year to carry its leadership vision and competitive strength into the future in all geographies where it operates. In this respect, it will focus on the snacks categories and make better use of innovation opportunities, and it will continue on its path to respond more effectively to consumer needs. The Company will also continue to focus on sustainability efforts.



Ülker Bisküvi reached 24.2 million households with 100% household penetration, increasing its market share to 35%, and remained the leader of the snacking.

By establishing an authentic and emotionally resonant connection with consumers through effective communication campaigns, Ülker Bisküvi maintained its position as the most popular and most closely-recognized brand in 2024 and achieved significant success by increasing its product diversity in the main categories.

Maintaining its strong leadership position in 2024, Ülker Bisküvi reached 24.2 million*** households with 100% household penetration***, increasing its market share to 35%** and remained the leader of the snacking.

Throughout 2024, Ülker Bisküvi continued to invest in innovation and R&D without slowing down and expanded its product portfolio in main categories. Accordingly, 51 new products were launched. Following a growth strategy that focuses on innovation and consumer demands, Ülker Bisküvi successfully met consumer expectations through launches and re-launches. New products contributed 15% to the domestic revenue.

** Nielsen Retail 2024 YTD

*** Ipsos Household Penetration Survey 2024 YTD

In the chocolate category, Ülker introduced a total of 25 new products in the solid chocolate, coated, and treat segments. Innovative products such as the "Most Beautiful Moment of Every Day" campaign launched in collaboration with Afra Saraçoğlu and Ülker Çikolata Meşhur Dubai Lezzeti played an active role in maintaining market leadership. The chocolate portfolio was enriched with the launch of Lovenut Fındık Aşkı, Rodeo, and Laviva Selection in August and Çokonat Antep Fıstıklı in November.

Ülker Çikolata Gofret continued its fun and sincere marketing strategy with the "There is No One Who Doesn't Like, There is Only One Who Doesn't Know" campaign, and demonstrated a strong performance in brand health and market share.

2024 was a productive and dynamic year for Ülker Bisküvi in the biscuit category with successful results. It strengthened its sweet and savory biscuit brands by launching new products and implementing innovative communication strategies.

During 2024, a total of 23 new products were launched in the sweet and savory segments of the biscuit category. The salty biscuit portfolio was expanded by introducing the Çizi and Çiziviç Haşhaşlı & Baharatlı varieties, while Çizi was positioned as "the savior in sudden hunger moments" through a campaign featuring the Çizimen character. In the sweet biscuit category, Ülker Bisküvi combined the flavors of Ülker Çikolata, Albeni, and Coco Star brands and introduced a new flavor experience to the cookie market with Stars Cookie.

The Biskrem brand, which has become indispensable for consumers for years, has expanded its product portfolio and introduced the Biskrem Cookie Extra product to the consumers. The 2024 launch of Baklavadan İlhamla Antep Fıstıklı Milföy by Ülker, setting the trends in advance, was highly appreciated by consumers. Enhancing its position in the biscuit market through value-added products, Ülker introduced its chocolate-covered tart, Çokoturta Çikolata Tart, to consumers.

25

Number of New Products in Chocolate Category



In the cake category, the new Magma Hindistan Cevizli & Vişneli was launched on store shelves, while the Dankek brand was offered to consumers in a family format with Çikolatalı & Vişneli Kek. Ülker expanded the mini segment with the Mini Cake series and strengthened its presence in the portion segment with the launch of Olala Tiramisu and Dankek Mousse. These launches were supported by television, outdoor, and digital campaigns.

Ülker conducts effective communication campaigns that enable it to establish strong consumer connections for both its main brand and product categories.

As the official sponsor of the A National Team, Ülker enhanced consumer mindshare during the campaign by emphasizing the love for the country and the moments accompanied by Ülker products through the "Homeland in My Heart" campaign developed for Euro 2024.

Having been hosted in every home for 80 years, Ülker was inspired by sincere neighborhood stories with the "Ülker Apartment" advertising series. The campaign was launched on television, digital media, and other channels with the slogan "A moment without Ülker is unthinkable!", emphasizing that Ülker products are consumed at every moment of the day with different motivations.

Ülker conducts effective communication campaigns that enable it to establish strong consumer connections for both its main brand and product categories.

23

Number of New Products in Biscuit Category

Production and Capacity

20 autonomous mobile robots, which entered service at the Gebze Factory in 2023, continue to serve successfully.

Biscuit

Ankara Factory

The Ankara Factory was established in 1969 with a closed area of 76 thousand m². Biscuit, cracker and wafer varieties are produced. The factory produced 114,000 tons of biscuits in 2024. The 16th line investment at the Ankara factory was completed in 2024 and production started in January 2025. The line, installed with fully automated equipment from end to end, will provide an additional annual capacity of 7800 tons, and the Çizici and Ülker Çubuk crackers will be produced in this factory.

Gebze Factory

The Gebze Factory was established in 1997 in the Gebze Organized Industrial Zone. The factory operates on a total area of 85,330 m², of which 80,000 m² is indoor space. The factory produced 104 thousand tons of biscuits in 2024. 20 autonomous mobile robots, commissioned in 2023, continue to serve successfully. Capable of carrying 2,600 types of materials, the robots have greatly increased production efficiency and cost advantage in the factory, especially by transporting raw materials and packaging. For 2025, a similar project has been initiated at the Ankara factory.

In 2024, 23 new types of products were added to the product portfolio. Some of these are;

- Biskrem Cookie Extra
- Hanımeller Limonlu Dereotlu
- Altınbaşak Chia & Haşhaş
- Saklıköy Altın Sütü
- Hanımeller Frambuaz Soslu Rulo
- Ülker Çokoturta Portakallı Tart Bisküvi
- Big Cookie Serisi (Cocostar, Albeni, and Fındıklı) Starts Cookie
- Halley Çikolatalı & Portakallı
- Hanımeller Zencefilli Kurabiye
- Hanımeller Hindistan Cevizli
- Biskrem Limonlu & Beyaz Çikolatalı
- Saklıköy Şekersiz Bisküvi
- McVitie's Beyaz Çikolatalı & Karadutlu Bisküvi

Main Brands

Ülker Pötibör, Biskrem, Ülker Bebe, Hanımeller, Saklıköy, İkrar, Ülker Kremalı, Çokoprens, 9 Kat Tat, 9 Kat Rulokat, 9 Kat İnce İnce, Probis, Çokomel, Altınbaşak, Rondo, Canpare, Haylayf, Ülker Finger, Ülker Gofret, Dore, Ülker Kakaolu Bisküvi, Kat Kat Tat, Çizi, Çiziviği, Ülker Çubuk Kraker, Ülker Susamlı, Krispi, Taç Kraker, Cici Balık, McVitie's

376
thousand tons

Biscuit Production*

(*) Total tonnage of biscuit production.

In 2024, the Ankara Factory produced 114 thousand tons.

AGV ŞARJ İSTASYONU

ÜLKER



One of the factors that distinguishes Ülker from its competitors is Önem Gıda's expertise in cocoa bean processing and the advanced automation systems it owns.

Chocolate

Topkapı Factory

The Topkapı chocolate factory was established in 1974 and currently operates on an area of 84 thousand m², of which 67 thousand m² is covered. As of the end of 2024, the factory achieved 181 thousand tons of production.

In 2024, 25 new types of products were added to the product portfolio. Some of these are;

- Ülker Rodeo Yer Fıstıklı Bar
- Ülker Go Ahead
- Ülker Laviva Selection Sütlü
- Ülker Laviva Selection Bitter
- Ülker Baton Çikolata Fındık Krokanlı ve Pirinç Patlaklı
- Ülker Çikolatalı Kadayıflı Dubai Lezzeti
- Ülker Çikolata Gofret XXL
- Ülker Bal Bademli & Krokanlı Çikolata
- Ülker Fındık Rüyası Kakaolu Fındık Kreması

Main Brands

Ülker Çikolatalı Gofret, Albeni, Dido, Laviva, Çokonat, Metro, Cocostar, Piko, Çokomilk, Alpella, Çokokrem, Ülker Çikolata, Napoliten, Caramio, Kanky, Buklet, Select, Lalezar, Beylerbeyi, Godiva, Alpella, Laviva, Go Ahead, Rodeo

Silivri Factory

Established in 1998, the Silivri Factory produces festive and gift chocolate products and chocolate-coated dragees in a 43,500 m² closed area. Total production amounted to 20 thousand tons at the end of 2024.

Main Brands

Albeni, Ece, Çikolatin, Buklet, Godiva, Metro, Truffle, Fındık Rüyası Dido, Be Happy, Muzlu Pasta Tadında, Lovells Laviva Muzlu Magnolya, İstanbul Serisi, Select, McVitie's

Önem Gıda Topkapı Factory

Serving on a 15,275 m² closed area, Önem Gıda İstanbul Factory started its operations in 1965. The factory, where a wide range of products such as cocoa butter, cocoa powder, cocoa mass and chocolate paste are produced from cocoa beans, reached a production of 124 thousand tons by year-end 2024.

One of the factors that distinguishes Ülker from its competitors is Önem Gıda's expertise in cocoa bean processing and the advanced automation systems it owns. The company controls all the production processes that play a critical role in characterizing the taste of chocolate. This ensures that Ülker's products are much better than those of its competitors in terms of taste and quality.

Önem Gıda Giresun Factory

Started operating in 1995, Giresun Factory has a closed area of 5,400 m². Ülker Bisküvi supplies its whole hazelnuts, chopped hazelnuts, and hazelnut puree needs from this factory. Modernized in 2008, the factory has 4,800 tons of shelled hazelnut crushing capacity and 5,933 tons of hazelnut processing capacity. In the factory, where capacity increase investments were made, 2,000 tons of finished products were produced in 2024.

228 thousand tons

Chocolate Production*

(*) Total tonnage of chocolate production.

Modernized in 2008, the Önem Gıda Giresun factory has reached 4,800 tons of shelled hazelnut crushing capacity and 5,933 tons of hazelnut processing capacity.



The Silivri Factory has a closed area of 43,500 m² and produces festive and gift chocolate products and chocolate-coated dragees.

Production and Capacity

The Gebze Factory's total cake production reached 26 thousand tons in 2024.

Cake

Gebze Factory

As of 2024, Ülker Gebze Factory offers a wide and growing portfolio of innovative and pioneering products in the portion, mini and family segments. This year, the factory's total production reached 26 thousand tons and 3 new products were added to its portfolios. These products are as follows;

- Dankek baton tam tahıllı kek
- Ülker Magma Hindistan Cevizli & Vişneli

Karaman Factory

Karaman Factory continues its operations without slowing down, offering a diverse range of product varieties. These products are as follows;

- Dankek Donut Tekli Paket
- 8 Kek Mini Fındıklı
- Kekstra Mini
- Dankek Tart Kek Mini
- Dankek Baton Mandalina Soslu Kek

Main Brands

Dankek, O'lala Gurme, O'lala Sufle, O'lala Waffle Kek, O'lala Bar Kek, Dankek Çikolatalım, 8 Kek, Kekstra, Pöti, Albeni, Alpella, Dostino (PL), Dankek Çay Saati, Dankek Rulo Pasta, Kekstra Bar Kek, Kekstra Konfeti, Dankek Islak Kek, Dankek Pöti Muffin, Peki Muffin, Dankek Lokmalık varieties, Halk-Alpella Kapkek, O'lala Bold, Alpella Barkek, O'lala Bold Mini Bar Kek, O'lala Tiramisu Kek, Kekstra XL Kek, Dankek Mousse Kek, Dankek Magma, Dankek Tart Kek, Dankek Çikolata Soslu Baton Kek, Ülker Magma Dolgulu Kek

Kids Category

The Company entered the children's category in 2022 with the Kanky brand. The portfolio of this category includes Kanky Duo Kek and Kanky Çilekli Bulut Kornet produced at the Ülker Karaman Factory.



55 thousand tons

Cake Production*

(*) Total tonnage of cake production.

Ülker Büsküvi continues its operations rapidly by increasing its production with new and different product varieties added to its product range in 2024.



Ülker Bisküvi's Ankara Factory produces products such as B1, B2, and B3 biscuit flours, whole flour varieties, stone mill flours, special bran, soy flour, and oat flakes.

Flour

Ülker Bisküvi Ankara Factory

Started to operate in 2012, Önem Gıda's Ankara branch is one of the major subsidiaries of Ülker. Built on a 51,531 m² land, the factory has a closed area of 22,418 m². Products such as B1, B2 and B3 biscuit flours, whole flour varieties, stone mill flours, special bran, soy flour and oat flakes are produced at the factory and sold to group companies. As of 2024, 150,978 tons of finished products (final products) were produced at the factory.

The Ankara branch of Önem Gıda has a daily processing capacity of 850 tons of wheat, 10 tons of oats, and 22.5 tons of soy flour.

The Akyurt Factory features 33 vertical steel silos for wheat storage: 12 with a capacity of 6,700 tons each, 12 with 1,600 tons each, 1 with 1,100 tons, and 8 with 550 tons each. In addition to these silos, which can store 105,100 tons of wheat, the oat production facility has 4 silos with a capacity to store 220 tons of oats. This large storage facility ensures a regular supply of biscuit wheat throughout the year, enabling production of standard quality.

Ülker Bisküvi Karaman Factory

Karaman Factory, which covers an area of 2,934 m², was established in 2012. The -Factory produces B1, B2, and B Tek flours, which are sold only to Ülker Bisküvi group companies. In 2024, it produced 52 thousand tons of finished products (final products).

With a daily wheat milling capacity of 250 tons and a wheat storage area of 30,000 tons, Karaman Factory constantly supplies the wheat required for biscuit production throughout the year. The facility's 6 vertical steel silos, each with a capacity of 5,000 tons, ensure the safe storage of wheat and maintain the uninterrupted continuity of the production process.

52 thousand tons

**Karaman Factory Tons of
Finished Products in 2024**

**Karaman Factory has a daily wheat
milling capacity of 250 tons and a wheat
storage area of 30 thousand tons.**



Ülker operates in accordance with the targets of zero failure, zero accidents, and zero loss in all its factories.

1,400+

Small Technical Improvements

124

Kaizen (Star Development Teams) Project

The Operational Excellence center team plans training, coaching, and consultancy services for factory teams and provides support at every stage of the process.

Ülker continues its efforts in improving its processes and digitalization without interruption by placing the principles of operational excellence at the focal point of its business processes. The Company operates in accordance with the targets of zero failure, zero accidents, and zero loss in all its factories and prioritizes sustainable profitable growth. Accordingly, Operational Excellence programs are implemented in sales, logistics, and distribution processes. These efforts are based on Lean Production, Six Sigma, 5S, Total Quality Management, and Total Productive Maintenance approaches within the framework of the Yıldız Path to Excellence (YMY) developed in the light of international standards.

The Yıldız Path to Excellence (YMY) aims to achieve sustainable success with satisfied and motivated teams that ensure the effective implementation of systems. The activities under the YMY are carried out by Operational Excellence Committees, which bring together volunteer employees from different departments. These committees prepare the necessary road maps to achieve the strategic goals of the factories and proceed in accordance with these plans. In addition, the Operational Excellence center team plans training, coaching, and consultancy services for factory teams and provides support at every stage of the process.

Ülker's Operational Excellence Committees continue to support the development of both individuals and the organization on a cultural basis by involving all employees in the process. The inclusion of new recruits in operational excellence practices makes a significant contribution to the sustainability of the Company.

Ülker carries out its operational excellence activities in line with three main goals: Zero Occupational Accidents, Zero Quality Problems, and Zero Losses. Within the framework of these goals, further improvement work is carried out every year and losses are re-evaluated through methods such as "Value Stream Mapping". It is observed that new improvement opportunities arise even in continuously developed processes.



In 2024, the digital training center began operations at Ülker Bisküvi's factories in Ankara and Karaman.

Continuing its journey of continuous improvement at full speed in 2024, Ülker carried out over 1,400 small technical improvements and 124 kaizen (Star Development Teams) projects. Kaizen is a continuous improvement work carried out by multidisciplinary teams on a focused subject using specific improvement methods. The equivalent of these efforts in the Ülker Operational Excellence system is YDT, aka Yıldız Development Teams. In addition, 15 End-to-End Value Stream Mapping Projects have been completed, resulting in a total savings of TL 215 million.

The projects were carried out about increasing production efficiency (reducing downtime, reducing production preparation and conversion times, increasing plant capacities, reducing speed losses and minor stoppages), reducing material losses such as raw materials, packaging, etc., optimizing control and cleaning times, reducing energy losses and pallet efficiency.

Ülker compares its factories with each other in terms of the results they achieve and the models they apply on the journey towards operational excellence, and rewards best practices to turn them into "standard practices". Accordingly, at each stage of the standardized four-tier model, the tasks to be performed by the factories and the success criteria expected to be achieved are detailed. The level attained by the factory is determined via regular assessments and successful transitions to the next phase are recognized. Visits made between factories also help witness best practices first hand and disseminate them in a quick fashion. The information gathered through this process is documented in handbooks, thereby contributing to the institutional knowledge. Efforts are ongoing under the guidance of the "Operational Excellence Handbook" detailing the model implemented to date and the "Maintenance Function Handbook" containing Ülker's maintenance standards.

Ülker has placed digitalization at the heart of individual and organizational development activities with its practice named "Production School." Meanwhile, it also continued with onsite evaluations of plants' and committees' works and communicated their strengths and areas for improvement in 2024. Best practices are shared at meetings organized in different plants throughout the year, and an effective communication environment is provided to enable employees to learn from each other. The "Digital Training Center," designed in line with the requirements of the age, was implemented for the first time at the Ülker Chocolate Factory. In 2024, the digital training center began operations at Ülker Bisküvi's factories in Ankara and Karaman.

The focal point of operational excellence includes the applications, such as digitalization, the agility of processes, "Value Stream Mapping", "Supplier Development", "Production School" system, Integrated Production Model of the Future, COEX (Center of Excellence), strategic target implementation system called Hoshin Kanri, Early Equipment Management System, etc. Activities for these areas are planned and regularly monitored within the framework of an annual program.

The Future's Integrated Manufacturing Model is a multi-layered digital transformation project prepared based on technological developments in the industry, such as instantaneous evaluation of production via IoT and Industry 4.0 approaches; paper-free reporting, and backing up of operators' autonomous management capabilities. Technical infrastructure efforts of the project launched at pilots have been rolled out across all Ülker factories.

Ülker Bisküvi raised employee awareness for production plants and product ownership and carried out the “On-Site” activities at the plants to guarantee cultural transformation.

In Ülker Bisküvi, in an attempt to deliver on Customer expectations, activities were specified and prioritized in light of consumer feedback.

In order to ensure quality and food safety, which are among top priorities of Ülker Bisküvi, all production is carried out in regularly audited facilities certified by BRCS (Brand Reputation Through Compliance Global Standards), ISO 22000, ISO 9001, and Halal.

Thanks to its internal and external audits conducted throughout the supply chain, Ülker Bisküvi produces high-quality and safe food and improves its supply and production processes by continuously analyzing audit outputs. By identifying control criteria and critical control points, risks that may arise in the entire chain, from the supply of raw materials to the consumer, are assessed.

The Company aims at disseminating quality assurance activities across each and every phase of the supply chain and bringing added-value works to the fore. The quality activities carried out include applications, such as the development of employee competencies by organizing needs-oriented trainings at various levels for Excellence in End-to-End Quality, on-site quality projects, and supplier development activities.

Various events and targeted programs are organized at Ülker Bisküvi factories to reinforce the quality culture, monitor and improve business results, develop competencies, and foster the sense of ownership.

On-site Quality Activities

Ülker Bisküvi raised employee awareness for production plants and product ownership and carried out the “On-Site” activities at the plants to guarantee cultural transformation. The purpose of this activity is to put into practice an approach that continuously improves quality instead of quality control by adopting a defect-free process in production. This approach, which is based on securing quality at the source, aims to identify problems in advance and send a perfect product to customers without the need for corrective actions.

Laboratory Analyses

Ülker Bisküvi runs physical, chemical, and microbiological analyses at labs to check the quality, food safety, and compliance with legal requirements of raw materials, packaging, semi-finished and final products at its plants. To ensure alignment between laboratories and laborants, the staff attends “Inter Laboratory Comparison and Proficiency” programs every year, and their performance is tracked. In order to obtain fast, accurate and reliable results, the devices used in laboratory analyzes have been developed in an integrated manner with the state-of-the-art technology and the analysis methods have been updated in line with internationally accepted standards.

In an attempt to deliver on customer expectations, activities were specified and prioritized in light of consumer feedback. To ensure consumer satisfaction, projects aiming to improve product quality and the efficiency of business processes were implemented, multidisciplinary teams were established to address the root cause of problems, and necessary steps were taken to prevent their recurrence.

Production at Global Standards

In an era of market globalization, the demand of companies to export their products is constantly growing. To achieve this goal, in consideration of factors such as

different markets and product/raw material categories, changing legal regulations are monitored. In order to comply with regulations, necessary actions are taken both at production facilities and in cooperation with suppliers, and quality plans and actions taken are periodically verified accordingly.

In line with Quality and Food Safety requirements and international standards, the following certificates are obtained in Ülker Bisküvi Factories:

- BRCGS
- ISO 22000
- ISO 9001
- HALAL Certificate
- KOSHER Certificate
- RSPO Certificate
- Fair Trade Certificate
- Rainforest Alliance Sustainable Agriculture Certificate

Excellence Reinforced Through Trainings

In 2024, various trainings such as FDA-approved Preventive Controls Qualified Individual for Food Safety (FSPCA PCQI / FSMA) training, FDA Food Defense Plan Builder Training, Allergen Management, Packaging Standards, Advanced HACCP, Laboratory Management, RSPO (Roundtable on Sustainable Palm Oil) training were organized in factories in order to increase the quality awareness of the production and ensure compliance with food safety standards, especially for the production, quality, R&D, maintenance, logistics, and planning teams.

Supplier Audits and Trainings

Ülker Bisküvi conducts Supplier Development Programs annually to establish long-standing, mutual partnerships with suppliers aiming at a strategic partnership. In order to support the development of suppliers, the Company organizes visits to supplier organizations and conducts on-site examinations for problems encountered in factories, enabling the development of joint solutions.

In order to evaluate and audit suppliers based on the correct criteria according to Ülker Bisküvi quality standards, the materials supplied and manufacturing sites are examined and classified according to their risk status.

Supplier and intermediary company audits are carried out as planned according to the risk level of these materials and manufacturing sites during the year. Shipment of products from plants to warehouses in accordance with quality and food safety standards, as well as storage standards, procedures, inspection/monitoring methods, are

Ülker Bisküvi conducts Supplier Development Programs annually to establish long-standing, mutual partnerships with suppliers aiming at a strategic partnership.



taken into account in preparing question lists to monitor product warehouses and practices thereof. All product warehouses are audited during the year for the sound provision of feedback to warehouse officials, as well as for the development of quality and food safety standards. To this end, in 2024, 90 supplier audits and 141 warehouse and distributor audits were conducted.

In addition to quality management system audits, suppliers are also evaluated based on social compliance.

Due to its impact on food safety and product quality, digital temperature monitoring systems have been updated not only in production facilities but also in warehouses, and their traceability by all responsible parties has been ensured so that action can be taken in emergencies.

Under the leadership of the quality and procurement teams, multidisciplinary Supplier Development Teams were established for 21 suppliers in 2024 and supplier development and improvement activities and supplier trainings were carried out. During the year, 4 different training events were organized with more than 250 participants. Trainings given to suppliers are as follows:

- Good Manufacturing Practices
- Root Cause Analysis
- Allergen Management
- Pest Control

Investments

Ülker Bisküvi continuously improves product quality while making its cost structure more competitive by enhancing productivity.

TL 2.6 billion

**Total Investments
in 2024**

Ülker Bisküvi continued its investments in 2024 to maintain its leadership in the sector. During the year, Ülker Bisküvi invested in various areas such as the establishment of new facilities, capacity increases, renewal of production lines, productivity increases, hygiene, and storage.

Through these investments, which aim to increase customer satisfaction, the Company continuously improves product quality while making its cost structure more competitive by enhancing productivity.

In 2024, Ülker Bisküvi carried out the following investment activities with an investment worth some 2.6 billion TL on a consolidated basis:

- Improving existing lines,
- Capacity increases made in production and packaging lines,
- Optimization, revision, and modernization investments,
- Investments made as part of capacity increases,
- Investments made as part of new product studies,
- Investments made in food safety.





Continuing its sustainability efforts since 2014 in line with its long-term strategic goals, Ülker Bisküvi aims to build a strong and resilient global food system.

Ülker Bisküvi focuses on continuously improving its strong governance structure and increasing its resilience against sustainability risks.

Global developments show that combating the climate crisis and achieving net zero targets are at a critical point. Climate change-induced weather events and ecosystem damage also have significant impacts on food production processes.

The climate crisis deeply affects the food sector, reducing the productivity of agricultural production, disrupting raw material supply chains, and threatening water resources. Rising temperatures and changing rainfall regimes are adversely affecting the production of various agricultural raw materials such as wheat, cocoa, and palm oil.

In line with the global agenda, Ülker Bisküvi and its stakeholders also address both the climate crisis and raw material supply as high priority issues. Therefore, it is of great importance to popularize sustainable agricultural practices that are resistant to climate change.

Striving for a waste-free business, Ülker Bisküvi has made it one of its primary duties to tackle the growing population and address changing consumer expectations and needs by using limited resources responsibly and managing talents wisely. Continuing its sustainability efforts uninterruptedly since 2014 within the framework of its long-term strategic goals, the Company aims to build a strong and resilient global food system. To achieve this goal, it focuses on continuously improving its strong governance structure and increasing its resilience against sustainability risks. In this context, Ülker Bisküvi carries out activities that set an example not only for Ülker Bisküvi, but also for the entire sector and society. The alignment of these efforts with Corporate Governance Principles as well as with corporate decision-making and processes are monitored via the "Ülker Bisküvi Sustainability Platform".



The Sustainability Platform is represented with ownership at the senior level including President, Vice President, and CEO, and fulfills tasks and responsibilities assigned to it via monitoring environmental, social, and governance-related developments that emerge in areas beyond its impact area.

Ülker Bisküvi carries out its activities with long-term goals under the headings of our world, value chain, employees, and society. In addition, the Company has been regularly issuing Sustainability Reports to the public every year since 2015 in order to ensure that the practices it implements in line with the United Nations' 2030 Sustainable Development Goals can be monitored and audited within a certain strategy.

Ülker Bisküvi has been calculating its greenhouse gas emissions in detail, including Scope 1, 2, and 3, starting from the production of raw materials to the consumption of products since 2021. As the leader food producer of Türkiye, the Company has joined the Science Based Targets Initiative (SBTi) with a 2030 interim target (42% for Scope 1&2 emissions and 30% for Scope 3 emissions) and a 2050 net zero commitment. Ülker Bisküvi's targets for 2030 are as follows:

- Using electricity generated from 100% renewable sources in factories by year-end 2025 and in all warehouses by 2030,
- Reducing logistics-related carbon emissions by 30% by 2019,
- Implementing restorative agriculture practices on 10,000 decares of production land,
- Sourcing 100% of the main raw materials from sustainable sources,
- Making all packaging recyclable, reusable, or compostable by year-end 2025,
- Achieving a total of 250,000 m³ of water and wastewater recovery by 2030,
- Achieving a 45% reduction in unit water consumption compared to 2014.

Ülker Bisküvi has made significant progress in each of its sustainability goals in recent years. Accordingly, the Company:

- Has grown without any rise in its carbon emissions since 2014.
- In 2016, Ülker initiated the Carbon Disclosure Project (CDP) and continues to share its climate change strategy and carbon emissions through its reporting. Ülker managed to maintain its 2024 water security and climate change score of B.
- Procures raw materials, materials, and services from local suppliers at the maximum level possible in order to support local development and reduce logistics-related carbon emissions.
- Monitors energy and water consumption instantly at all its plants via monitoring systems, and reduces energy consumption per unit of production on an incremental basis every year.
- Reached the goal of 30% water reduction per unit of production, which was set for 2014, in 2018, and reduced water consumption by 42% until the end of 2024.

- Plays a key role in setting out the road map for sustainable packaging, materials used, supply terms and competencies, as well as the filling lines at plants and shipment conditions. Efforts to reduce the use of plastics, which are the second most used material after paper, in packaging are ongoing.
- In 2024, 140 tons of plastic and 220 tons of paper were reduced in packaging.
- Has achieved a 99% conversion rate of raw materials into finished products, producing at the targeted quality the first time, to prevent losses at source. Ülker is among the best in the food sector worldwide in this regard.
- Continuing to work towards achieving the zero waste target, the Company reached a waste recycling rate of 98% by the end of 2024.

Managing the environmental impacts of its operations in line with the Environmental Management System established as per its Environmental Policy, Ülker Bisküvi holds ISO 14001, ISO 50001, ISO 9001, ISO 45001, and ISO 22001 certificates at all its plants in Türkiye. In addition, Gebze Factory was granted a BREEAM Green Building certificate at GOOD level, becoming the first building with this certificate in its field in 2019. In addition, all Ülker Bisküvi factories received the "Zero Waste to Landfill" certificate in 2024.

The Company certifies its environmentally sensitive activities and the activities in the areas of environment, energy, occupational health and safety, communication and participation, supply chain, waste and water management, environmental conditions, and sustainability by obtaining the Green Check Certificate after undergoing a transparent audit process. As of 2024, Ülker Bisküvi's Silivri, Ankara, Gebze, Topkapı, and Önem Ankara and Topkapı factories received the Green Control Certificate at the Gold level.

Sustainable use of water is very important in a world where water resources are limited. By adopting a life cycle approach, Ülker Bisküvi monitors and measures its direct and indirect environmental impacts on water resources at various stages and minimizes them through efficiency-oriented efforts. These processes enable the calculation of the water footprint in accordance with the requirements of the ISO 14046 standard. In this way, all Ülker Bisküvi factories received the ISO 14046 Water Footprint Certificate in 2024.

As of 2024, Ülker Bisküvi's Silivri, Ankara, Gebze, Topkapı, Önem Ankara, and Önem Topkapı factories received the Green Control Certificate at the Gold level.

Ülker Bisküvi continues to instill environmental protection awareness in thousands of employees through Basic Environmental Trainings conducted in all factories.

20%

Reduction Rate of Carbon Emissions from Logistics Since 2014

Activities in 2024

Ülker Bisküvi invested a total of TL 31.2 million in Occupational Health and Safety (OHS) in 2024. In this context, investments that will also have a positive impact on society such as digitalization in OHS processes, the launch of digital training platforms for blue-collar employees and new OHS orientation training activities, updates in explosion protection, machine risk analysis, and activity-based risk analysis activities, and process optimization have been made.

Ülker invested a total of TL 83 million in Environment and Sustainability. The activities, which are the second phase of sustainability efforts, to set strategies and targets continued in parallel with the 2030 interim targets and 2050 "Net Zero" approach by increasing investments in many areas such as renewable energy supply, energy management, water and wastewater management, sustainable agriculture, trainings, waste management, circular economy, verification, and certification.

Water consumption per unit production tonnage was reduced by 42% and total water consumption by 37% compared to 2014. With the procured renewable energy (I-REC) certificate, we supplied 100% of the electricity consumption in 2024 from renewable energy sources. In this period when scope 1-2 and scope 3 emissions were determined, emission reduction targets for 2030 and beyond were also defined.

Work was carried out with all business units and functions within the scope of long-term targets for the 4 value areas determined under the Our World, Value Chain, Employees, and Society topics.

Transition risks were identified and potential impacts were assessed for 13 Ülker Bisküvi factories where production activities are carried out. Within the scope of physical risks, the issue of water stress was addressed for operations and suppliers identified as a priority in the supply of critical raw materials. In addition, the impacts of expected potential risks based on new developments, such as the European Green Deal, the EU Anti-Deforestation Regulation (EUDR), Biodiversity, and Plastic Pollution, have also been assessed.

Ülker Bisküvi continues to instill environmental protection awareness in thousands of employees through Basic Environmental Trainings conducted in all its factories, while also providing periodic trainings on waste management, efficient use of water and energy, and climate change.

Targets for 2025

By the end of 2024, the progress of the 2014-2024 sustainability journey is as follows:

- **Growing without increasing carbon emissions:** Carbon emissions are at the same level as in 2014.
- **Reducing water usage per unit of production by 30%:** This target was exceeded and water usage was reduced by 42% compared to 2014.
- **Sending no waste to landfills with 100% recycling:** With a 98% recycling rate, the ratio of waste sent to landfills was 2%.
- **Reducing carbon emissions per unit of production by 40%:** Carbon emissions per unit of production were reduced by 52% compared to 2014.
- **Reducing logistics-related carbon emissions by 20%:** Approximately 20% reduction has been achieved since 2014.
- **Eliminating occupational accidents with lost work days:** Reduced by 86% compared to 2014.
- **Reducing the amount of fat, salt, and sugar used in all product categories:** The projects carried out to date have reduced 10.5 tons of oil and 3,173.8 tons of sugar in all product categories. Efforts to reduce 50 tons of salt, 1,000 tons of fat and 3,000 tons of sugar by 2030 are ongoing. Among these, the target of 3,000 tons of sugar reduction was achieved by 2023. In 2024,



efforts were intensified to offer consumers new product formats with higher fiber and no added sugar. In December 2024, Ülker Go Ahead brand entered the Better For You bar category with 5 different products. All of the Ülker Go Ahead nut and fruit bars are free of added sugar, preservatives and colorings, and all contain high fiber. Ülker Go Ahead protein bar offers consumers a new choice as a protein source with its 20% protein content.

- **Creating a sustainable packaging strategy and policies:** The strategy work was completed and a 2025 plastics road map was prepared.
- **Conducting packaging reduction activities:** 140 tons less plastic and 220 tons less paper were used in packaging.
- **To cooperate with institutions, which are leaders in their fields, for future-oriented projects and to continue these cooperations:** In 2024, cooperation activities in the field of sustainability continued.

Ülker Bisküvi, in line with its goal of becoming a net zero company, prepared the 2050 net zero road map by working based on different climate scenarios in order to carry out all its business processes on the basis of sustainability.

Ülker Bisküvi maintains its ethical way of doing business, which is among its core values, through the Ülker Bisküvi Ethical Principles Policy, which includes determining its relations with its stakeholders and anti-corruption and anti-bribery regulations. In 2024, 220 new recruits of Ülker Bisküvi received a total of 536 hours of training on basic ethical principles, including human rights issues, and on combating corruption and bribery. 684 Ülker Bisküvi employees received 2,052 hours of training on Personal Data Protection Law. In 2024, a total of 6 reports received by the ethics hotline were resolved, with no reports on corruption, bribery, discrimination, harassment, customer personal data, or money laundering. There is no public prosecution in this context and no donation or support

was given to politicians and political parties in 2024 in accordance with ethical principles.

Water Risks Project

Protecting and managing biodiversity plays an important role in Ülker's sustainability vision, its strategic objectives, and its environmental protection activities. Ülker's main approach in this field is based on assessing and monitoring the impact of its operations on biodiversity, ensuring that it adheres to defined objectives and does the necessary reporting.

Ülker Bisküvi led the "Water Risks Project" of the Business Council for Sustainable Development (BCSD Türkiye), which aims to analyze the impact of climate change on water resources and develop efficient irrigation strategies in agriculture, as the main sponsor.

With this project, it is aimed to use water resources efficiently and increase the productivity in agricultural practices. Within the scope of Phase 1 and Phase 2 studies covering the years 2022 and 2023 of the project, in which Ankara University Water Management Institute also took part, drip irrigation systems were established in Kırıkkale for wheat production on 40 decares, silage corn on 33 decares, and grain corn on 18 decares.

Crop productivity and water footprint analyses for wheat and maize were carried out by comparing them with production using conventional irrigation in areas of the same size. The studies carried out in the Central Anatolia Region within the scope of the project have shown that a minimum of a 30% increase in yield and a 21% reduction in water footprint can be achieved by using drip irrigation in wheat production. In addition, trainings on modern irrigation methods and fertilization was provided to 100 farmers in the region. The report containing the results of the project has constituted an important resource for sustainable agricultural practices in our country by compiling data analyses on water efficiency, drought risks, and the impacts of climate change.

Ülker Bisküvi aims to implement restorative agricultural practices in its 10,000 decares of production area by 2030.

Aliağa Biscuit Wheat Project

Increasing people's ability or capacity to access food and ensuring food sustainability is more critical than ever under the current circumstances.

On the other hand, environmental and natural events, which have significantly increased in our country as well as in the rest of the world, have led to a stronger understanding of the importance of the topics of climate change and sustainability, which are high on the agenda. Therefore, it is of great importance to popularize sustainable agricultural practices that are resistant to climate change.

To this end, Ülker Bisküvi primarily focuses on agricultural practices that support sustainable and local raw material supply in the value chain.

Considering the importance of sustainable raw material supply, Ülker Bisküvi is working on wheat projects that are important for both the Company and our country. Implemented in 2007 in cooperation with Bahri Dağdaş International Agricultural Research Institute, the Aliağa Biscuit Wheat Project, which aims to develop a wheat variety suitable for biscuit flour, continued its activities to disseminate local and national wheat seeds resistant to climate change, diseases and drought. This biscuit wheat has been used in Ülker products since October 2022.

The Biscuit Wheat Development Program, which was implemented in cooperation with Bahri Dağdaş International Agricultural Research Institute to obtain new biscuit wheat varieties, continues. With this program, farmers will be offered the opportunity to choose among the varieties that stand out in terms of yield and quality due to their regional climate and soil structure. This will ensure the continuity of quality and efficient production of biscuit wheat in more regions.

Project on Restorative Agriculture in Wheat Production

Ülker Bisküvi aims to implement restorative agricultural practices in its 10,000 decares of production area by 2030. In this context, it has initiated restorative agriculture activities by employing advanced technological applications such as satellite monitoring for remote tracking of plant growth and temperature and humidity sensors to determine irrigation needs, in the Kırıkkale and

Çorum regions. As part of the project, in which special fertilization recommendations are created for each farmer with the support of digital soil analysis, it is aimed to increase the carbon retention level of the soil by reducing inputs such as fertilizer and water. The project provides training to farmers on regenerative agriculture and financial literacy, while agronomists offer field support for problems encountered through field visits. Within the scope of the project, carbon footprint calculation processes are monitored to reduce carbon emissions and promote sustainable, data-driven agricultural practices. In this way, efforts are made to reduce the environmental impact of agricultural activities, while focusing on improving and enhancing social impacts such as farmer welfare and working conditions that respect human rights.

Beyond Cocoa Project

In addition to wheat, Ülker has also ongoing efforts toward a sustainable supply of cocoa, which is another key raw material. In this context, it continues to work on sustainable raw material sourcing for cocoa in order to develop transparent and traceable procurement processes to reduce the negative environmental and social impacts of cocoa supply in the value chain.

As part of the Beyond Cocoa Project, it strives for the sustainable management of cocoa supply in environmental and social areas together with Önem Gıda, which supplies all cocoa and chocolate products and joined Ülker Bisküvi in 2021, and the Ivory Coast-based export company. Within the scope of the project, cocoa farmers are provided with training on agroforestry and good agricultural practices. In line with the goal of protecting forests, which is one of the main focus areas of the project, in cooperation with the Earthworm Foundation, which works with the awareness of positively affecting the relationship between people and nature, a verification and traceability study as regards the deforestation was carried out with all cooperatives from which procurements were made. Since 2016, in collaboration with the Foundation, suppliers and cooperatives in Africa have been audited on-site to ensure the traceability of cocoa supplies and products are supplied from the places where there is no deforestation.

One-to-one field projects aimed at agricultural forestry and efficient use of agricultural products started in 2024. In this context, a project for agricultural forestry was

implemented on 250 hectares with 124 cocoa farmers, while another project for the proper use of agrochemicals was implemented on 432 hectares with 150 farmers.

In addition, child labor awareness trainings and school renovations were carried out as part of social responsibility activities. In 2024, we provided awareness training to approximately 3,560 families and renovated three schools. Additionally, mobile health services are provided to improve the quality of life of farmers and their families. The program, which has been organized since 2023, has so far reached approximately 2,250 farmers and their families. In this way, many women farmers and their families were provided with antenatal and postnatal consultations, family planning services, pre-cancer screening, and screening for chronic diseases.

Beyond Hazelnut Project

Ülker Bisküvi is expanding its efforts by focusing on local procurement and emphasizing the importance of sustainability in agriculture.

As part of the Beyond Hazelnut Project, trainings are provided on sustainable agricultural techniques, fertilization, hazelnut pests and disease managements, weed control, pruning, and composting of hazelnut shells. These trainings are carried out at the Ülker Bisküvi Giresun Factory and in the application garden. Moreover, through an online farmer network, farmers receive information about seasonal garden practices and upcoming period training sessions, are enabled to submit inquiries and obtain expert support, and benefit from regular garden visits by field teams.

Ülker Bisküvi also provides supports such as monitoring hazelnut development and pest counts, offering training on fertilization and pruning techniques, conducting soil analyses, supplying microbial and organic fertilizers to enhance plant health, providing pest traps, personal protective equipment, and first aid kits, and distributing hazelnut saplings to rejuvenate gardens in accordance with climatic conditions.

As of the end of 2024, 100 farmers, including 33 women, are participating in the project, which has also resulted in increased productivity and efficiency. Ülker Bisküvi will continue to support the empowerment of farmers and local socio-economic development.

Occupational Health and Safety

Ülker Bisküvi launched a behavior-oriented occupational safety system called Occupational Safety Ambassador to enable employees to adopt and participate in the OHS culture. Covering all employees working at the Ülker Bisküvi Factories, the system requires each employee to assess the behaviors of other employees in terms of compliance with OHS. Planning events to encourage employees to act safely, the Company aims to maximize the self-control system by monitoring and supervising all employees, increase the number of safe behaviors, and raise its OHS performance to the global benchmark level.

In addition, Ülker Bisküvi runs the "Site Responsibility Project" in all plants to raise awareness for OHS culture. Under this project, it assigns employees – each being responsible for their respective sites – within the plants so that they identify hazardous situations at the site they are in charge of, determine necessary OHS action, and follow up the actions taken.



Ülker Bisküvi is expanding its efforts by focusing on local procurement and emphasizing the importance of sustainability in agriculture.

3,560

**Number of Families
Given Training in 2024**

platform. In this way, both permit-approval processes have been simplified and efficiency has been increased with time savings. With this project, which ensures traceability, the work performance of contractors is monitored and an approved pool of contractors is created for all Ülker factories.

33

**Number of Women Involved in the
Beyond Hazelnut Project**

Ülker Bisküvi, which provided its employees with practical orientation and basic OHS training through online programs in 2024, has maintained its LTAR ratio below 1 for the past four years thanks to cultural development, engineering studies, and improvements in technical barriers and concluded 2024 with an LTAR ratio of 0.62, representing a 34% improvement over the previous year.

The Company moved its basic OHS training to the online training platform and put the courses developed as per legal requirements for access by employees. In addition to Occupational Health and Safety trainings, the Company also offered field orientation trainings with OHS practices, Sleep Health, Travel Safety, Traffic Safety, and Disaster and Emergency Management trainings to its employees.

The OHS team at the Head Office conducts OHS inspections every year at the plants, and reports improvements as well as rooms for improvement to the senior management. OHS experts of other plants also attend these inspection activities. This is how Ülker Bisküvi contributes to OHS experts' personal development, raises OHS standards in plants, and helps OHS experts engage in effective communication and collaboration.

Ülker Bisküvi works with expert consulting firms to make sure that both the machinery to be purchased and its existing machineries are safe. Each factory has made sure the team they assigned took Machinery Risk Assessment Courses and carried out on-site works. Consulting firms made machinery risk assessments on production lines and started to perform necessary reporting. Actions are monitored by factory leaders.

Ülker Bisküvi presents its standards and policies in the areas of Occupational Health and Safety, Quality, Food Safety and Sustainability digitally through the "Visitpro" management program developed for contractors and visitors. All work permits of contractor company employees are monitored and managed online on a single

Since 2021, Ülker Bisküvi completed the transition to ISO 45001 Occupational Health and Safety Management System at all factories in Türkiye. The continuity of the ISO 45001 Management System is ensured through follow-up and certification audits.

Sustainable Supply Chain

Ülker Bisküvi supports its stakeholders by promoting sustainable production throughout the entire value chain and aims to ensure supply security and contribute to social development while reducing the environmental impact of its supply chain. Launched in 2024, the Supplier Environmental, Social and Governance Program aims to support suppliers and increase environmental sustainability at every stage of the supply chain. As part of this program, suppliers are expected to comply with high ethical standards and fully comply with the legal regulations in the countries where they operate within the framework of the Ülker Supply Chain Policy.

Aiming to ensure full compliance of critical suppliers with the Ülker Bisküvi Responsible Supply Chain Policy by 2030, in addition to quality and food safety audits conducted for suppliers, physical third-party social compliance audits

were conducted for 24 selected critical suppliers in 2024. It is planned to improve the Environmental, Social, and Governance performances of suppliers through these audits and action plans, which include topics such as Human Rights, Environment, OHS, Ethics, and Management Systems. In addition, the Supplier Environmental, Social, and Governance Program was launched in 2024 to support suppliers and increase sustainability at every stage of the supply chain.

In the second half of 2025, the Company aims to expand its Fleet by adding 15 double-decker trucks, which are expected to collectively travel approximately 750,000 km less and reduce carbon emissions by 690 tons.

Collaborations, Achievements, Awards

Recognized for its efforts at national and international platforms, Ülker Bisküvi is on Borsa Istanbul's Sustainability Index since 2015.

The environmental, social, and governance performance assessment of publicly traded companies, conducted by the LSEG (London Stock Exchange Group), an international financial analysis and reporting organization, on behalf of Borsa Istanbul, was announced. This assessment is guided by criteria, such as energy, water, emissions, waste management, human rights, labor, corporate social responsibility, supply chain, responsible production, shareholder management, etc.

According to the LSEG sustainability index, Ülker Bisküvi ranked first in its category by receiving the highest score among more than 450 companies evaluated worldwide

according to the 8-15 January 2024 evaluation; it also ranked first among companies from all sectors traded on Borsa Istanbul.

Ülker was included, for the fourth consecutive year, in the Sustainability Yearbook compiled by the international rating agency S&P Global to list companies with the best environmental, social, and governance performance in their sectors.

More than 9,400 companies worldwide in 60 sectors were evaluated, with 759 companies qualifying for inclusion in the list. Ülker Bisküvi was one of the nine Turkish companies on this list and the only Turkish company among the 19 global companies in the food products category.

Ülker Bisküvi applied in three categories for the edie Sustainability Business Awards, one of the most prestigious awards worldwide, which will be presented in 2025, and became the only Turkish food company to secure Finalist status with three projects in the Supply Chain Sustainability, Social Sustainability, and Water & Waste & Resource Efficiency categories.

Ülker Bisküvi won first place at the Sustainable Food Awards organized for the second time in 2024 in the "Supply Chain" category with its "Green Route of Sustainability" project, and first place in the production sector in the "Waste Management" category at the 11th Sustainable Business Awards 2024, organized by the Sustainability Academy.



In 2024, 46% of Ülker Bisküvi's new recruits started in the assistant specialist and specialist roles, which are referred to as young talents.

10,254

**Total
Number of Employees**

37.5%

**Ratio of Female Employees
Recruited in 2024**

Since its inception, the biggest commitment of Ülker Bisküvi to both its consumers and employees has been "Happiness." Consequently the Company endeavors to build up its processes on employee satisfaction. The priority of Ülker Bisküvi has always been ensuring happiness of employees from recruitment to training and development, performance and talent management processes.

At Ülker Bisküvi, the number of employees reached 10,254 in 2024 with new recruits. Of the new recruits, 37.5% were female employees. As a result, the ratio of female employees was recorded as 29% in 2024.

In addition, 46% of Ülker Bisküvi's new recruits started in the assistant specialist and specialist roles, which are referred to as young talents. Employees born in 2000 and after, referred to as Generation Z, account for 34% of all recruits. This shows the importance and care the Company attaches to the employment of young people.

Remuneration Policy

The main principle in the Ülker's remuneration and benefits management is to manage the remuneration and benefits of out-of-scope employees in a systematic, fair, and attractive manner under the applicable laws and company principles.

Remuneration and benefits policies are among the most important issues in terms of employee motivation, loyalty, and performance management. With this awareness, the wages and benefits of employees are managed with sensitivity, and the needs of employees are met by taking into account market conditions.

Employees can choose alternatives including supplementary health insurance for spouse and children, shopping vouchers, check-up, personal retirement insurance, etc. offered in the fringe benefits portal within the budget provided. In addition to these, employees at the managerial level are also provided with travel allowances.

Fringe benefits of in-scope employees are determined as part of collective bargaining. In addition, out-of-scope employees are offered flexible benefits that they can customize according to their individual needs.

Talent and Performance Management

Through talent and performance management processes, employees' performances are objectively evaluated and training opportunities are offered to support their development. The 2024 Talent Management Process (TMP) was carried out in line with the Leadership Success Model, which was launched in 2021 and includes standards on which competencies each employee should have by positioning themselves as a leader. In this context, Individual Development Plans are created for all Company employees at the beginning of each year. These plans help employees and managers identify development areas and necessary actions to support them in achieving their performance targets, improving their individual performance, and accomplishing their career goals. The Individual Development Plan focuses on improving the knowledge, skills, and behaviors of the individual and all these steps constitute the basic building blocks of the Talent Management Process.



The performance management system, which is used to assess the current status of employees and identify their development needs, is applied regularly every year to all white-collar employees. This process, shaped in line with managers' feedback, is managed at three different stages:

- Target setting
- Interim assessment
- Year-end evaluation and calibration period

In 2024, as in every year, all white-collar employees underwent performance management stages.

The Talent Management Process (TMP) ensures the succession of management positions. Furthermore, employees are prioritized for different positions where they can make the best use of their potential and for open positions regarding career opportunities in group companies. These positions are announced to employees through internal announcements.

The working order of the functions in the Company is categorized under four groups: Office, Hybrid, Remote, and Sales-Field Model. This model aims to create a leaner, more agile, more sustainable and dynamic working environment and increase productivity.

Trainings for Personal and Professional Development

Ülker Bisküvi considers its employees to be its most valuable asset and undertakes various initiatives to achieve its business targets, increase its competitive strength, and support the individual development of its employees. The Company continuously invests in human resources to strengthen its market leadership by closely monitoring global innovations and sectoral trends.

A total of 70,800 content was viewed on the Thrive online learning platform in the 6-month period; increasing the TREECA adaptation rate from 68% to approximately 80%. In 2024, a total of 22,246.15 hours of training was provided to white and blue collar employees.

Employees are supported by learning and development programs to show their best performance in what they do, prepare both themselves and the organization for the future. The development opportunities provided to the employees include specialization programs, executive training programs, domestic and foreign conferences, personal and occupational development programs. Ülker Bisküvi offers its personnel various training opportunities in a diverse range of topics that include:

- Leadership Trainings (Impact Leadership Program)
- Personal Development Trainings: (Need-based development) Information Security, Project Management, Presentation Design, Feedback, Hogan Personality Inventory (HPI), Customer Management, Finance Training for Non-Financiers, Digital Maturity, Artificial Intelligence-Oriented Creative Thinking Workshop, Reverse Mentoring Trainings, etc.
- Ethical and Operational Principles Training
- Occupational Health and Safety Training
- Entry Level Manager (Formen) Training
- Leadership Development Program (Supply Chain - Below Manager)
- Technical Training Programs
- Foreign Language Development (Rosetta, Newone, and EnglishLab)

Ülker Bisküvi continuously invests in human resources to strengthen its market leadership by closely monitoring global innovations and sectoral trends.

86%

**Employee Engagement
Survey Score**

506

**Total Number of Mentees in
Digital Mentoring Program**

Senior Employee Engagement

Strengthening the employer brand perception, employee engagement, and talent acquisition are priorities for the senior management, CEO in particular, and Human Resources. Ülker Bisküvi carried out the following activities for employee engagement in 2024:

Employee Engagement Survey: Two employee engagement surveys were conducted in 2024, the first in May and the second in November. In the engagement survey conducted in May, 91% participation was achieved and the engagement score was recorded as 77%. In the engagement survey conducted in November, the survey provider was changed, and a more detailed questionnaire was administered featuring 12 sub-categories comprising 41 opinion questions and 3 open-ended questions. The participation rate in this new survey was 87% and the engagement score increased by 9 points to 86% compared to the previous survey.

Manager Effectiveness Survey: In 2024, for the first time in Ülker Bisküvi's operating region, a Manager Effectiveness Survey was conducted to help leaders understand their strengths and shape their individual development plans accordingly. Conducted for leaders who have at least 3 colleagues reporting to them and who have served in their last position for a minimum of 6 months, this survey was shared with 1,092 employees for 152 managers and was completed with a participation rate of 76.74%.

thrive: is an in-house e-learning platform open to all employees. thrive offers up-to-date content on a wide range of topics from leadership, project management, sustainability, agility, artificial intelligence, inclusion, diversity, equality, and communication skills to TED talks of expert speakers, exercises that can be done at home, and activities that can be carried out with children.

Digital Mentoring Program: Mentoring, guiding, leading, and inspiring are indispensable part of Ülker Bisküvi's corporate culture. Ülker Bisküvi launched the digital mentoring program by integrating these elements and taking inspiration from digital trends. This program aims to contribute to the personal development journeys of both mentors and mentees. Mentors have the opportunity to develop their competencies, such as leading, guiding, and coordinating, while mentees improve themselves in areas such as coping with different situations and receiving feedback. Since the beginning of the project, a total of 506 mentees and 268 mentors have taken part in this development journey.

The mentoring program, which has been going on for many years, was moved to the digital platform in 2022. Mentors and mentees have taken part in a 12-session course on the digital platform.

At the end of the process, a survey was administered to the 2024 participants asking them to evaluate the program. Accordingly, the satisfaction rate of mentors and mentees with the program was 87.5%, while the recommendation rate was 88.4%.

Digital Reverse Mentoring Program: The Reverse Mentoring Program, which was transferred to the digital platform in 2023 and continued successfully in 2024, is a development application provided to Ülker Bisküvi employees and managers. This development practice aims to support the rapid realization of development plans resulting from the TMP (Talent Management Process) and to reveal the potential of high-performance employees.

The program also aims to support the personal and professional development of both mentors and mentees. This encourages communication and cooperation between different generations.

Mentees are selected from the leadership team reporting directly to the CEO. All leaders showed great interest in the program since its start. Applications for the mentoring process were received through an online questionnaire. The Digital Reverse Mentoring Program started online with the participation of 48 mentors and mentees. Prior to the launch meeting, three different training sessions were organized with leaders and employees.

The purposes of this program are:

- Supporting employees' career and personal development,

- Raising development awareness of employees,
- Supporting learning from each other within Ülker Bisküvi,
- Revealing the talents of employees,
- Monitoring the development of employees continuously,
- Listening to the fresh perspectives of younger team members,
- Bridging communication gaps between generations,
- Promoting a culture of continuous learning and collaboration.

At the end of the process, a survey was administered to the 2024 participants asking them to evaluate the program. Accordingly, the satisfaction rate of young talent mentors and (n-1 Leader) mentees with the program was 90.8%, while the recommendation rate was 94.1%.

Mind-Opening HR Conversations: A project where the HR Leaders or external consultants share their expertise with the HR team. The project started in October and was planned for one year. The first session of the project was Employee Engagement, while the second session was Remuneration Management. In 2024, it continued with topics such as HR Data Management, Remuneration Policy, and Global Talent Trends & Strategic HR Research and Industrial Relations Dynamics. This project aimed to enable the HR professionals to follow the trends in their fields and learn current information from the sector.



In 2024, a total of 1,002 teams and more than 2,500 students from 97 different universities and 105 different departments applied to the bizz@kampüs competition, and innovative ideas competed for the Ülker Çizi brand.

As part of the Good Future for You Program, 131 different events were organized at all Ülker Bisküvi facilities.

Good Future for You: The Project Good Future for You is a well-being program that aims to ensure the mental and physical well-being of employees, touching on aspects, such as collaboration, inclusion, and engagement. The activities carried out under this program are grouped into four categories. In order to invest in the psychological health of employees, psychological self-care sessions were organized under the "Boost Your Energy (Enerjini Topla)" category. Workshops were organized under the "Stay Balanced (Dengede Kal)" category in order to develop diversity and collaboration skills. Seminars were organized under the "Stay Healthy (Zinde Kal)" category to raise awareness of mental and physical health. Interactive career sessions were organized under the "Get Inspired (İlham Al)" category in order to feel the pulse of business life and stay up-to-date.

Under the Good Future for You Program, 131 diverse activities were organized across all Ülker Bisküvi facilities, addressing the comprehensive health and well-being needs of approximately 6,550 employees.

Make Happy Be Happy Day: Like in the previous years, Make Happy Be Happy Day events focused on children again because "We believe that every individual, regardless of their country, has the right to a good childhood," as the founder of Ülker Bisküvi, the late Sabri Ülker, said. The Company, in cooperation with the Turkish Red Crescent, donated clothes (winter coats and scarves/berets/gloves) to 500 children in different provinces of Türkiye. Aid packages were prepared with the participation of leaders and employees and distributed in partnership with the Turkish Red Crescent Society. In addition, this special day was celebrated with treats, gifts, and charity events at various locations. Production factories donated coats and boots to 45 children studying at a village school in Karaman.



Commercial Talent Acquisition Program: The Commercial Talent Program is a talent acquisition program where young talents interested in commercial functions rotate through sales, marketing, trade marketing, procurement, supply chain, business development, and sales operations departments for 15 months and gain experience through trainings, mentorships, and projects. At the end of the program, employees who join Ülker Bisküvi as Commercial Talent will be placed in their final positions by the end of 2025, taking into account the experience they have gained. In 2024, VireUp, an artificial intelligence-supported recruitment tool was added to the recruitment process of 6 people hired under this program. This allowed for more efficient use of time and integrated the recruitment process with new trends. The number of applicants increased from 2,352 to 4,129 as a result of communications about the talent acquisition program on LinkedIn, expanding the talent pool of Ülker Bisküvi.

bizz@kampüs Idea Competition: bizz@kampüs is a marketing project competition that has been organized since 2012 under the sponsorship of a different brand every year, and is open to 3rd and 4th year undergraduate and graduate students. In 2024, a total of 1,002 teams and more than 2,500 students from 97 different universities and 105 different departments applied to the bizz@kampüs idea competition, and they competed with innovative ideas for the Ülker Çizi brand. Teams received training on presentation designs and mentoring from marketing teams throughout the competition process. In addition to the cash prize, the winning teams also received a long-term internship opportunity in the department of their choice at Ülker Bisküvi.

University Events: In 2024, Ülker Bisküvi participated in 35 campus events, aiming to expand and strengthen its employer brand perspective. At the events, professionals from Ülker Bisküvi's various departments and positions, such as Human Resources, Production, Quality, R&D, and Sales, met with more than 28,000 students and talked about their career journeys. In these talks, young people were not only inspired, but also informed about the opportunities Ülker Bisküvi offers in these areas and the projects it has carried out, and their questions were answered.

Seniority Awards: Based on the employee's start date, if the employee completes his/her first year of employment, he/she is presented with an apron, and if he/she completes a seniority period of 5 years or a multiple of 5 years, he/she is presented with a plaque for his/her devoted work, as well as gifts such as shopping vouchers, half gold coins, and full gold coins.

Biz Bize (Among Us) Meetups: Ülker Bisküvi's CEO, Mete Buyurgan, provides updates on and priorities of the Company. Employees find the opportunity to meet one-on-one with the CEO and ask any questions they may have.

Biz Bize Factories: A unifying event held every quarter at Ülker Bisküvi factories, starting with breakfast and continuing with a leader speech, the Company's agenda, and a session featuring questions on topics of interest, thereby facilitating direct one-on-one communication with leaders. The event features a rich content including:

- Surprise Session,
 - We in Our Work,
 - News from Us,
 - One of Us,
 - Questions & Answers,
 - Kahoot.
- **Surprise Session:** It is a warm-up activity that changes its guest and content every quarter, where interesting content is shared right after breakfast and hub information is included.
 - **We in Our Work:** This is the session where the video on factory performance data is explained with a strong infographic.
 - **News from Us:** This is the session where the video about Human Resources events is broadcasted with a strong infographic.
 - **One of Us:** Explained under the heading below.
 - **Questions & Answers:** A session during which leaders are asked the questions that arouse curiosity.
 - **Kahoot:** A fun closing session with questions that includes both session content and employees. Each of the top 3 is awarded a prize.

Leader Bulletin: Information on topics such as leadership, personal development, digitalization, well-being, sustainability, inclusion, diversity, and equality are compiled and shared with managers every month. As of 2024, this sharing started to be carried out through the thrive e-learning platform, thus aiming to strengthen the digital learning muscles.

In 2024, Ülker Bisküvi participated in 35 campus events, aiming to expand and strengthen its employer brand perspective.

Every month, the quality, OHS, production, maintenance, etc. teams in Ülker Bisküvi factories that achieve the best scores according to specified criteria are rewarded at events with high participation.

Instant Award: The "Instant Award" system is in active use so as to create corporate success stories that inspire others and make achievements sustainable.

A Short Break with Breakfast: A Short Break with Breakfast is an important platform where ways of doing business and standards are improved by listening to the valuable feedback, demands, and expectations of in-scope employees in factories. Through this platform, collective development is achieved, a better working environment is created with the power of team spirit and shared knowledge, and change is pioneered together with employees. The content of the event can be summarized as follows:

- **Direct Communication with Leaders:** Employees will have the opportunity to share their requests and demands directly with leaders, creating a transparent and sincere collaborative environment.
- **Concrete Solutions:** In response to feedback, steps are taken with the aim of achieving permanent improvements.
- **Sharing Results:** Decisions taken in previous meetings and progress made in line with these decisions are shared with employees.

Talks with Leaders: In order to inspire white-collar employees, senior managers share their life and career stories with employees at the factories on a designated day and time. This enhances the visibility of leaders, strengthens the connection between leaders and employees, improves employee access to leaders, and assists employees in identifying their sources of inspiration.

Day of Persons with Disabilities: As part of the Week of Persons with Disabilities in December, breakfast or lunch is organized outside the company with the participation of senior managers at Ülker Bisküvi factories for disabled employees. In this way, employees with disabilities are given the opportunity to voice their demands, and at the end of the event, they are given gifts to make them feel that the Company stands by them.

In addition, the Good Future for You Program hosted National Paralympic Archer Nil Mısır and held an inspiring (online) conversation for all employees.

Monthly Birthday Celebration: Employees' birthdays are celebrated together every month in the factories.

Mind Cube: A digital suggestion system where suggestions on productivity, improvement, saving, etc. are submitted by blue-collar employees in factories. Every suggestion is evaluated, and employees are rewarded for suggestions that are implemented. Thanks to these suggestions, savings are achieved with the support of employees.

Star of the Month: Every month, the quality, OHS, production, maintenance, etc. teams in Ülker Bisküvi factories that achieve the best scores according to specified criteria are rewarded at events with high participation. A special ceremony is organized for the awarding of prizes, and senior supervisors and employees attend the ceremony to celebrate the success together.



Culture Tours: Ülker Bisküvi organizes guided sightseeing tours to historical and cultural spots in the surrounding area so that factory employees can spend a nice day away from the workplace and increase their cultural knowledge.

Tournaments: Volleyball and football tournaments are organized in the factories to increase team spirit and create a friendly competitive environment where employees can have fun together while competing. Employees participate in tournaments by forming teams of their own choosing and at the end of each tournament, trophies and special prizes are awarded to the winning teams to enhance their motivation.

Hello Summer/Hello Winter: The "Hello Summer" event is organized to welcome the arrival of summer with enthusiasm and to increase motivation by spending time together in a fun atmosphere. The "Hello Winter" event is organized to celebrate the fresh start of the winter season and to move forward together towards new opportunities. These activities increase employee loyalty and motivation.

Today, this Is My Menu: On certain days, meals selected by an employee are served in factory cafeterias.

Special Menu: Special menus are offered in the factories every quarter of the year.

Employee Health and Safety

The health and safety of employees is a top priority for Ülker Bisküvi. Ülker Bisküvi, accordingly, aims to create a safe working environment.

Aiming to be an exemplary company in the field of Occupational Health and Safety (OHS), Ülker Bisküvi conducts OHS activities at international standards beyond legal requirements. In this context, we pay attention to issues such as employee training, risk assessment and control, maintaining a safe working environment, emergency management, and continuous improvement. In addition, awareness-raising activities are carried out to ensure that all employees comply with OHS policies and prioritize safety.

Achievements Crowned with Awards

Ülker Bisküvi's successful human resources practices are also recognized with various awards. In 2024, Ülker Bisküvi was awarded the Certification of Top Employers, one of the world's leading certification programs, for the fourth time. It also ranked first in the snacks industry for the third time in the Türkiye's Happiest Workplaces Survey, organized by Capital Magazine. Furthermore, the Company received 11 awards from Globee Awards, 7 awards from Stevie International Business Awards, 9 awards from Stevie for Great Employers, and Best Team to Join awards from Sales Network.

R&D activities are currently conducted at two separate R&D centers certified by the Ministry of Industry and Technology.

Within the scope of university-industry cooperation, activities are carried out with 13 national and 6 international universities/research centers.

Ülker Bisküvi R&D organization carries out new product development processes in categories such as biscuits, crackers, wafers, cakes, chocolate, and coated bars with more than 100 employees who are experts in their fields. These processes range from ideation to validation through consumer testing, production line tests, initial production runs, and product shelf life analysis. In addition, efforts to improve production processes, increase quality and efficiency continue uninterrupted.

These activities are carried out with highly specialized teams under Product Development, Package Development, Process, Quality Development, Technical Consumer surveys, Scientific Research, and Legislation Monitoring and Inspection Function.

R&D activities are currently conducted at two separate R&D centers certified by the Ministry of Industry and Technology. Gebze Baked Products R&D Center is focused on Biscuits, Crackers, Wafers, Cakes, Cocoa, and Cocoa products. Topkapı Chocolate R&D Center is focused on Chocolates, Cocoa and Cocoa products, Wafers, and Coated Bars.

Enhancing expertise, know-how, and tech skills since the first day, the R&D organization has introduced many new products to the range of Ülker brands that have added value to the Company and earned consumers' hearts. The Centers also conducts various quality, improvement, saving, and efficiency projects.

Ülker Bisküvi R&D centers continue to collaborate with domestic and international universities, TÜBİTAK, and other research institutions to work on scientific projects that will contribute to both the company's operations and the industry.

We participate in HORIZON EUROPE Info Day and B2B events in order to take part in the European research ecosystem and follow research agendas.

Ülker Bisküvi maintains its membership in the Turkish Food Innovation Platform (TÜGİP), established as part of INNOFOOD, Türkiye's largest food R&D and Innovation Project, and develops special projects in cooperation with TÜBİTAK.

Within the scope of university-industry cooperation, activities are carried out with 13 national and 6 international universities/research centers. In this context;

- TÜBİTAK Undergraduate Research Project for Industry with Yıldız Technical University Food Engineering Department was completed.
- Under the coordination of Ülker Bisküvi and in partnership with Dynamis Bio and ITU Food Engineering, the "Artificial Intelligence Based Functional Food Design" project has been entitled to be supported under TÜBİTAK's 2023 Artificial Intelligence Ecosystem Call. Among the 17 projects deemed eligible for TÜBİTAK support for their contributions to the industry, this is the only one in the food sector.

- Ülker Bisküvi joined the consortium coordinated by Stazione Zoologica Anton Dohrn as a partner with Tetis Biotechnology and Koç University from Türkiye. The project titled "From waste to taste: exploring innovative food applications of postharvest fish losses" has been awarded funding under HORIZON EUROPE-BLUEPARTNERSHIP.
- Within the scope of the HORIZON EUROPE-TWINNING call, Ülker Bisküvi participated as a supporting organization in the TWINNING TOWARDS SCIENTIFIC AND TECHNOLOGICAL EXCELLENCE IN PLANT PROTEIN RESEARCH - PROTWIN project coordinated by TÜBİTAK.
- The Ministry of Industry and Technology Food Cluster Program application was included as a consortium partner established under the leadership of MARMARA-TEKNOKENT.

- Project applications have been made together with 2 different international consortia within the scope of Horizon Europe calls.

Ülker Bisküvi strives to improve teams' competencies and skills by speeding up the R&D Academy efforts that continue as part of the R&D Development Program. In this regard, the Company encourages teams to take part in exhibitions, seminars, and training sessions in and outside Türkiye so that they act in a more innovative and solution-oriented fashion. In 2024, a total of 35 different trainings, 25 technical and 10 functional, were organized through the R&D Development Program.



In 2024, a total of 35 different trainings, 25 technical and 10 functional, were organized through the R&D Development Program.

51

Number of Products Introduced to the Domestic Market

As part of R&D process improvement and digitalization activities, comprehensive trainings such as "Digitalization and effective use of R&D processes" and "R&D Digital Project and Specification Management System - Report Extraction and Detail Filtering in Cosmos" were provided for R&D teams, aiming to increase their knowledge and skills, help them adapt to new technologies, and make processes more efficient. The training program is designed to cover a variety of topics and is customized to the needs of the participants.

Ülker's R&D Activities in 2024

In 2024, more than 1,500 R&D projects, large and small, were carried out in various categories. A great success was achieved with the launch of Ülker Çikolata Meşhur Dubai Lezzeti. During this launch process, the R&D team acted quickly and developed the right product at the right time.

The 5 varieties selected according to the results of long R&D recipe studies, raw material searches, line trials and consumer tests with the products prepared as a result of these studies were introduced to the consumers: Go Ahead Protein Bar (Dark Chocolate and Peanut), Go Ahead Portakallı ve Bitter Çikolatalı Kuruyemiş Bar, Go Ahead Çilekli ve Kakaolu Meyve Tatlısı, Go Ahead Kırmızı Meyveli ve Bitter Çikolatalı Kuruyemiş Bar and Go Ahead Kuruyemişli ve Bitter Çikolatalı Meyve Bar.

Biskrem Limonlu-Beyaz Çikolatalı and Biskrem Cookie Ekstra products were added to the product portfolio of the Biskrem brand and offered to consumers. As for Hanımeller, one of Ülker's iconic brands, Hanımeller Limonlu Dereotlu, Hanımeller Zencefilli Kurabiye and Hanımeller Hindistan Cevizli were introduced to the

shelves. In addition, the Saklıköy brand was strengthened with Saklıköy Şeker İlavesiz Bisküvi and Saklıköy Altın Sütlü, produced in limited numbers.

Different sales demands were attempted to be met in a single package with the Big Cookie series (Cocostar, Albeni and Fındıklı) with flavors and sizes determined as a result of long R&D recipe studies, market research, and consumer tests.

The following successful products are Çokomel XL and Antep Fıstıklı Milföy in the sweet biscuit category. In addition, Laviva Selection became the leader of its category with 2 types of chocolate-covered products. Fındık Rüyası Krema made a successful launch in the chocolate spread category and went on sale in September. The launches of Çizi Haşhaşlı & Baharatlı Kraker in salty biscuit category and Magma Vişne & Hindistan Cevizli in Cake category were the products with the highest tonnage in these categories. With such launches, 51 new products were introduced to consumers in the domestic market.

The needs of the market and consumers were analyzed through consumer tests, and products were designed in line with these needs and expectations. More than 75 comprehensive product tests were conducted throughout 2024, guiding R&D efforts.

In 2024, official studies and reporting processes for R&D centers were completed. Ülker Bisküvi's Chocolate and Bakery Products R&D Centers underwent regular inspections by the Ministry of Industry and Technology and the validity period of certificates were extended.



Ülker Bisküvi has become one of the supporters of the Turkish National Paralympic Committee (TMPK) by signing a meaningful cooperation before the Paris 2024 Paralympic Games.

178,500

**Total Number of Saplings in the
“Ülker My Beautiful Country Forest”**

In 2024, Ülker Bisküvi continued its social responsibility activities by taking into account the sensitivities of society and the needs of children. Ülker Bisküvi continued its supports for the earthquake region and sent products to the region through the Turkish Red Crescent on the first anniversary of the earthquake. In addition, during Ramadan, food parcels prepared by the Turkish Red Crescent and children's packages consisting of Ülker products were delivered to those in need. In the Feast of the Sacrifice, festive products were sent to the region.

Ülker Children's Art Workshop

Ülker Bisküvi moved the Ülker Children's Art Workshop, which was launched in 2011 in order to engage children with art and develop their imagination and which has been organized with the theme "Sustainability" since 2022, to Hatay ISO Yaşam Kent. Nearly 500 children between the ages of 5 and 18 participated in the workshop. Children produced notebooks with the guidance of instructors. Following the event, all children in the container city were provided with bags and stationery in advance of the new school year.

Make Happy Be Happy Day

Ülker Bisküvi continued to support children this year as part of "Make Happy Be Happy Day", which is celebrated every year on the third Thursday of November. With the contributions of sales teams and factories, the Company donated winter coats, scarves, berets, and gloves to 660 children in various provinces of Türkiye, including those in the earthquake region, in cooperation with the Turkish Red Crescent.

Support for the Turkish National Paralympic Committee

Ülker Bisküvi has become one of the supporters of the Turkish National Paralympic Committee (TMPK) by signing a meaningful cooperation agreement before the Paris 2024 Paralympic Games. Under the agreement, Ülker aims to support TMPK's work in the field of disabled sports and Paralympic and contribute to raising awareness.

Ülker My Beautiful Country Forest Grows

Ülker My Beautiful Country Forest continued to grow in 2024. Ülker continued to support the "Breath for the Future" sapling planting campaign initiated by the Ministry of Agriculture and Forestry in 2019 and planted 11 thousand saplings in Karaman on November 11, National Afforestation Day. The total number of saplings in Ankara, Karaman, Kocaeli, Muğla, Elazığ, Eskişehir, Hatay and Gümüşhane reached 178,500.

Ülker - TFF Star Girls of the Future Project

Ülker, a supporter of sports and athletes, implemented the TFF Ülker Star Girls of the Future Project in cooperation with the Turkish Football Federation in 2023. The project set out with the aim of providing equal opportunities to girls born in 2009-2010-2011 who are the citizens of the Republic of Türkiye, wherever they are in the world, to support them in realizing their dreams, to discover their talents and to support the development of under-15 National Team pool. Participants were included in the selections by uploading their videos, featuring movements specified by the Women's National Team Coaches, to the ulkeryildizkizlar.tff.org website. 33 football player candidates who met the expectations of the National Team Technical Directors participated in the U15 Preparatory Camp between January 25-30, 2024. During the camp held at Riva Hasan Doğan Facilities, trainings were given to sportswomen to support their personal development as well as football skills. Thirteen of the star girls who participated in the camp were included in the U15 girls national team pool.

MİLLÎ PARALİMPİK KOMİTESİ
İŞ BİRLİĞİ ANLAŞMASI

TÜRKİYE



ÜLKER

TÜRKİYE MİLLÎ PARALİMPİK KOMİTESİ ANA SPONSORU

ÜLKER- TÜRKİYE MİLLÎ
PARALİMPİK KOMİTESİ
İŞ BİRLİĞİ ANLAŞMASI
İMZA TÖRENİ

29.07.2024

Corporate Governance Principles Compliance Report

PART I - CORPORATE GOVERNANCE PRINCIPLES: COMPLIANCE STATEMENT

The Company has provided in detail below the assessment and findings on the level of compliance with the Corporate Governance Principles and our comments on the potential improvement areas related to compliance in terms of scope and quality. Pursuant to Capital Markets Board Communiqué and Article 17 of the Capital Market Law No: 6362, dated December 6, 2012, and II-17.1 Corporate Governance Communiqué released on 3.1.2014, issuance of a "Corporate Governance Compliance Report" and compliance with specified Corporate Governance Principles have become mandatory for companies traded on Borsa Istanbul (BIST). Accordingly, the Company has resolved that the requirements imposed by the CMB be strictly followed, and the Company has also completed all the works necessary for compliance with the other principles specified in the Communiqué. The established Committees of the Board of Directors actively carry out their tasks. Committee working principles were announced on the website. Committee chairmen were formed amongst the independent members of the Board of Directors while independent member candidates are in majority in the committees. Three weeks prior to the General Assembly, information document, meeting agenda, annual report, résumés of the member candidates for the Board of Directors and other information to be announced were submitted to the information of the investors and shareholders. Related party transactions were submitted to the information of the Board of Directors, and by getting the approval of the independent members of the Board of Directors a decision was taken to continue the transactions. The website and annual report of our Company were revised and updated. A report for common and continuous transactions was issued for 2024 and published on the Public Disclosure Platform (KAP) upon the Board's decision. Independence of the independent members of the Board of Directors was examined, and new candidates were presented by the Nomination Committee to the Board of Directors. Within the scope of the sustainability activities, the first comprehensive sustainability report was released in 2016 and the ninth report was released in 2024. Sustainability reports are made available to shareholders and stakeholders on the Ülker Bisküvi investor relations website.

In 2024, efforts for compliance with the corporate governance principles were undertaken in accordance with the Capital Markets Law which covered the regulations of the CMB on the Corporate Governance Principles and with the communiqués issued on the basis of this law. During the year, our Company's website and annual report were reviewed and the necessary revisions were made to achieve full compliance with the principles. In this context, in the annual report, the issues that have been complied with as regards the principles in the Sustainability Principles Compliance Framework, which was put into effect with the amendment made to the CMB Corporate Governance Communiqué, have been comprehensively explained, and the assessments for the principles that have not yet been fully complied with are included in the Statement of Compliance with Sustainability Principles.

Within the scope of the Company's compliance efforts during the year, the activities of the committee members for 2024 were evaluated by the Board of Directors. Besides, it is ensured that the achievement level of the targets related to Company strategies as well as the financial and operational indicators are measured and their results were made input to the performance and reward system.

Our Company is in full compliance with all of the 24 mandatory principles for publicly traded companies as set out in the Corporate Governance Communiqué no. 17.1 (Communiqué) by the Capital Markets Board, which is responsible for regulating and supervising the corporate governance practices in Türkiye.

Corporate Governance Principles Not Yet Implemented

Ülker Bisküvi believes in the importance of full compliance with Corporate Governance Principles. However, full compliance with some of the voluntary Corporate Governance Principles has not yet been achieved due to challenges in implementation that may delay the Company's operations, ongoing debates on compliance both in Türkiye and the international arena, and unsuitability of certain principles with regard to current structures of the market and the Company. The following are the main Corporate Governance Principles, which are not mandatory as per the regulation

and which have not yet been fully complied with. Further explanations on the subject are provided in the relevant sections of the annual report. The Company has no conflict of interest due to its failure to fully comply with the non-mandatory principles.

1. No model or mechanism was created for the stakeholders to participate in the management. However, the independent members of the Board of Directors make sure that the Company and shareholders, as well as all stakeholders, are represented in the management. In addition, all employees of our company participate in management through various methods and share their opinions. With the Employee Engagement Survey conducted every year, the opinions of each employee are collected anonymously in the form of questionnaires and open-ended answers. Through various communication meetings, information about the Company is shared with employees, dealers and other stakeholders, and their questions and comments are received.
2. There is no written compensation policy for the employees that must be established in accordance with Article 3.1.2 of the Corporate Governance Principles and related work is in progress.
3. Some of the members of the Board of Directors participate in several committees.
4. As per Article 4.6.5 of the "Corporate Governance Principles," the remuneration of the members of the Board of Directors and executive senior managers as well as all other benefits granted are publicly announced via Annual Report. However, the announcement is not made on a personal basis but made to indicate the differentiation between the Board of Directors and executive senior managers.
5. There is no provision in the Articles of Association as an individual right that enables to request a special audit from the General Assembly to shareholders. TTK (Turkish Commercial Code) and SPK (Capital Markets Board) regulations on the appointment of a special auditor are deemed sufficient. In line with the provisions of the Turkish Commercial Code dated July 1, 2012, with no. 6102, each shareholder's right to request a special audit is protected.

Although full compliance with non-compulsory Corporate Governance Principles is aimed, full compliance has not yet been achieved due to reasons such as difficulties in practice in some of the principles, and some principles do not fully match the existing structure of the market and our Company. Work on the principles that have not been put into practice yet are in progress and it is planned to be implemented after the completion of administrative, legal and technical infrastructure works in a way that will contribute to the effective management of our Company.

The Corporate Governance Compliance Report as required by the Capital Markets Board Resolution no. 2/49 on 10.01.2019 and the Communiqué no. II-17.1 on Corporate Governance will be published on the Public Disclosure Platform by using the templates of Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF). Relevant reports can be accessed at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/859-ulker-biskuvi-sanayi-a-s>. Disclosures for the period that ended on December 31, 2024, within the scope of compliance with Corporate Governance Principles, as specified in the Corporate Governance Communiqué, are also included in the annual report, Corporate Governance Compliance Report (URF), and Corporate Governance Information Form (KYBF) disclosed on KAP, and other relevant sections of the annual report.

The Corporate Governance practices of Ülker Bisküvi shall continue within the frame of Corporate Governance to operate the mechanisms better and improve corporate governance practices including voluntary principles which have not been applied yet.

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PART II – SHAREHOLDERS

2.1. Investor Relations Department

All relations between Ülker Bisküvi and its shareholders are carried out under the responsibility of the “Investor Relations Unit” as a result of the joint work carried out with the relevant units. Investor Relations Unit is in charge of regularly informing the shareholders and prospective investors about the Company's activities, financial condition, and strategies, excluding confidential information and trade secrets, without causing any information inequality, and it is also responsible for ensuring two-way communication between the Company's management and the shareholders by obtaining opinions from other units when necessary and ensuring coordination. The Investor Relations Unit informs the Corporate Governance Committee at least four times a year about the activities carried out to be communicated to the Board of Directors. In 2024, the Board of Directors was informed by the Chairman of the Corporate Governance Committee on March 11, May 10, August 12, and November 7.

The Company attends conferences and meetings held in Türkiye and abroad to update shareholders and investors. The Company's corporate website (www.ulker.com.tr) is available in two languages, Turkish and English. Investor relations website in Turkish: <https://ulkerbiskuviyatirimciiliskileri.com/> Investor relations website in English: <http://ulkerbiskuiinvestorrelations.com/> The Company's material event disclosures can be accessed via Public Disclosure Platform or the Company's investor relations website. Copies of the Company's presentations are also available on the investor relations website in Turkish and English. Quarterly financial results, as well as annual reports in Turkish and English, are also available on the website.

As part of its efforts to maintain healthy communication with the investment community, the Investor Relations Department carried out numerous activities and events in 2024. Promotional roadshows, conferences, teleconferences, virtual meetings, and face-to-face meetings (with domestic institutional investors) were organized, bringing together 214 institutional investors and analysts from Türkiye and around the world. The Investor Relations Department also responded to numerous requests from both institutional and individual investors, as well as Eurobond and stock analysts, by phone and e-mail throughout the year. In addition, four webinars were organized during the year to share the financial results of the quarters with the investment community.

Ülker Bisküvi provides regularly up-to-date information to its stakeholders through telephone, teleconferences, physical meetings, general investor presentations, financial results presentations, interim activity reports, and its website. It strives to continuously increase shareholder value through corporate governance and investor relations practices at international standards. Maintaining long-term relationships with investors and providing accurate and up-to-date information are among the primary goals of investor relations.

Ülker Bisküvi Investor Relations aims to ensure that communication is effective, transparent, equal and timely, and envisages the processes to be carried out within the framework of full compliance with the relevant legislation and at the level of “best practices” globally.

Verda Beste Taşar, who acts as the Director of Investor Relations and member of the Corporate Governance Committee pursuant to the provisions of the Communiqué on Corporate Governance no. II-17-1 of the Capital Markets Board, holds a Level 3 License in the field of Corporate Governance Rating and Capital Market Activities, while also working full time directly reporting to Deputy CFO. She periodically reports on studies regarding Investor Relations to the Board of Directors and the Corporate Governance Committee. In 2024, she presented reports to the Corporate Governance Committee and also to the Board of Directors on March 8, May 9, August 9, and November 6. During the period, it responded to the applications and questions made by the shareholders by phone, e-mail, or one-on-one meetings without any discrimination.

The day after publicly announcing the quarterly financial results on the Public Disclosure Platform, Ülker Bisküvi continues to organize Teleconferences and Webcasts in order to provide information to investors and analysts and to answer questions if any. Relevant contact phone numbers and the web address were shared on the meeting date at the Company's official investor relation website <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>

Analysts and investors had a great interest in the teleconference and webcast, as they asked questions about issues like the strategy, restructuring, market share, and growth objectives of Ülker Bisküvi.

Investor Relations Unit is responsible for establishing the Information Policy of the Company, and for ensuring that this policy is adopted within Ülker Bisküvi.

Tasks of the Unit are as follows:

- a) Ensuring that shareholders' records are reliable, secure and up to date,
- b) Answering shareholders' written information requests about the Company – apart from those that interfere with trade secrets and that are not publicly announced,
- c) Ensuring that the General Assembly Meeting is held in conformity with the applicable legislation, the Articles of Association, and other internal regulations of the Company,
- d) Preparing documents that shareholders make use of at the General Assembly Meeting,
- e) Keeping a record of the voting results, and ensuring that reports about the results are sent to the shareholders,
- f) Overseeing and tracking all issues regarding public disclosure, including the legislation and the disclosure policy of the Company.

Investor Relations Unit is managed by the Investor Relations Director functioning under Ülker Bisküvi Financial Affairs – CFO office. Our Company executives responsible for relations with the shareholders are listed below.

Fulya Banu Sürücü – CFO

Tel: +90 216 524 25 00

Serkan Aslıyüce - Financial Affairs Leader

Tel: +90 216 524 25 00

Verda Beste Taşar - Investor Relations Director

Tel: +90 216 524 25 00

E-Mail: ir@ulker.com.tr

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2.2. Exercise of the Shareholders' Right to Access Information

In terms of exercising the shareholder rights, the Company complies with the legislation, Articles of Association and other in-house regulations, measures are taken to ensure the exercise of these rights, and all shareholders are treated equally. The main purpose of the Company is to ensure that the shareholders' right to obtain information are fulfilled fairly and completely. In addition, the Company fulfills the rights of the shareholders arising from the partnership completely and as soon as possible. No discrimination is made between shareholders regarding the exercise of the right to obtain and review information on our Company. Every shareholder has the right to receive and review information.

Except for information considered either commercial secret or insider information, all written or verbal requests from our shareholders for information within the period were met. We provided our shareholders with all the information as required under their rights as shareholders via the annual report, material disclosures, and replies to individual inquiries.

The principles regarding the process run by Ülker Bisküvi to provide information to our shareholders in conformity with legal regulations, and the detailed information about the manner, frequency and methods of providing information to the shareholders, is available in "Ülker Bisküvi Information Policy." Current Information Policy text is available for shareholders at our Investor Relations website. The necessary information was made available online to the shareholders in the "Investors Relations" section available at <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx> and the dedicated section of "Information Society Services" used for the publication of the legally required announcements as per Article 1524 of the Turkish Commercial Code No: 6102, dated January 13, 2011.

Auditing principles and procedures are described in Article 20 of the Company's Articles of Association. No special audit has been requested by the shareholders in 2024.

2.3. General Assembly Meetings

Pursuant to Article 1527 of the Turkish Commercial Code No. 6102 dated January 13, 2011, which stipulates that online participation in general assembly meetings of joint-stock companies, making proposals and statements online, and online voting shall have the same legal effects in all aspects as participating and voting in any general assembly meeting in person; and that all companies traded on the stock exchange are required to set up and maintain a system allowing online participation in general assembly meetings and voting; the online general assembly convenes on the same date and with a parallel agenda as the physical general assembly.

The Ordinary General Assembly meeting for the year 2023 was held on May 2, 2024, at 11:00 a.m. at Kısıklı Mahallesi Ferah Caddesi No:1 Büyük Çamlıca Üsküdar-İstanbul under the supervision of the Ministry Representative Ms. Nuran Devrim, who was assigned as per Istanbul Provincial Trade Directorate's letter no. 96279560 dated April 29, 2024. The invitation for the General Assembly, which stated the date and agenda of the meeting envisaged by the law and articles of association, was published in due time in the Turkish Trade Registry Gazette no. 11057 dated April 03, 2024, and on page 8 of the daily Nasıl Bir Ekonomi Newspaper issue dated April 03, 2024, at Ülker Bisküvi Sanayi A.Ş.'s corporate website <http://ulkerbiskuviyatirimciiliskileri.com>, on the Public Disclosure Platform, and the Electronic General Assembly System of Merkezi Kayıt Kuruluşu A.Ş. (Central Registry Agency) at least three weeks before the date of the General Assembly by indicating the date and agenda of the meeting.

The 2023 General Assembly was opened by Mr. Mete Buyurgan after determining that 23,067,084,525 shares corresponding to the capital of TL 230,670,845.25 out of 36,927,585,500 shares corresponding to the Company's total capital of TL 369,275,855 were represented at the meeting (139,199,800.100 shares corresponding to the capital of TL 1,391,998.001 physically in person, 19,915,536,924.90 shares corresponding to the capital of TL 199,155,369.249 physically by proxy, 3,012,347,800 shares corresponding to TL 30,123,478 electronically by proxy), therefore the minimum meeting

quorum stipulated in both the Law and the articles of association was present, and that the independent audit company DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte) (its representative Ömer Yüksel), Ahmet Bal, Chairman of the Board of Directors, and Mete Buyurgan, Board Member and Managing Director, were present at the General Assembly. No media representatives attended the meeting.

The Company makes the financial statements and reports, including the annual report, dividend distribution proposal, memo on the proposed agenda to be discussed at the General Assembly, and other documents for items of the agenda, if any, and the rationale thereof available for review by our shareholders at the headquarters and branches of the Company starting from the date of the invitation for the General Assembly. Items on the agenda are expressed in an unbiased and detailed manner at the General Assembly and shall be clear and intelligible. In addition, prior to the General Assembly meeting, agenda items, sample power of attorney, information document, balance sheet, profit and loss statements, independent audit report and footnotes, Board of Directors' resolution on dividend distribution, annual report, related party transactions report were prepared and published on the website <https://ulkerbiskuviyatirimciiliskileri.com/> within the legal period before the meeting date.

At the General Assembly meeting, issues on the agenda are narrated impartially and in detail with a clear and understandable method and the shareholders are provided with equal opportunity to express their opinions, and raise any questions to create a healthy atmosphere for discussion.

The amount of contributions and donations made by the Company during the fiscal period have been discussed at the General Assembly meeting as a separate agenda item and shareholders have been informed about the same.

At the 2023 General Assembly, the shareholders who made a speech wished for a successful year in 2024, and no proposals were made other than the agenda items. The minutes and agenda items of the General Assembly were published on Public Disclosure Platform (www.kap.gov.tr) and <https://ulkerbiskuviyatirimciiliskileri.com>.

The resolutions adopted at the Ordinary General Assembly Meeting of our Company held on May 02, 2024, were registered by the Istanbul Trade Registry Office on May 16, 2024, and announced in the Turkish Trade Registry Gazette No. 11083.

Extraordinary General Assembly

An extraordinary general assembly meeting was held on 29.12.2024 regarding the partial spin-off of Ülker Bisküvi Sanayi A.Ş. in a facilitated manner with the affiliate model through the acquisition of some of the foreign subsidiary shares of Ülker Bisküvi Sanayi A.Ş. by Taygeta Gıda Üretim ve Pazarlama A.Ş., which is wholly owned by Ülker Bisküvi Sanayi A.Ş., without impairing the business integrity, and the relevant resolutions were registered at the Istanbul Trade Registry Office on 13.01.2025. All notifications regarding the merger, general rule minutes, and documents related to the merger were made available to shareholders and stakeholders on the public disclosure platform and the Company's investor relations website.

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2.4. Voting Rights and Minority Rights

The voting procedure at General Assembly meetings is announced to shareholders at the beginning of the meeting. The Company avoids practices that complicate exercising to exercise voting rights and provides every shareholder, including those who reside abroad, with the opportunity to exercise their voting rights in the easiest and most convenient way, either physically or electronically. There is no privilege in the Articles of Association regarding the exercise of voting rights in the Company. Each share is entitled to one vote. There is no legal entity that is a subsidiary of the Company among the shareholders of the Company. There is no provision in the Articles of Association preventing a non-shareholder from voting by proxy. Shareholders representing minority shares form the management together with the majority shareholders through their participation in the General Assembly. In 2024, no criticism or complaint was received by the Company in this regard. According to the Bank's Articles of Association, minority rights are granted to shareholders representing at least one-twentieth of the share capital.

According to the Articles of Association, each share carries the right to one vote. Any shareholder, who is entitled to attend General Assembly meetings, may attend the meetings via electronic communication means in accordance with Article 1527 of the Turkish Commercial Code. Pursuant to the Regulation on the General Assembly of Joint Stock Companies to be Held via Electronic Means, the Company may set up an electronic General Assembly system or procure any system developed for this purpose so that shareholders are able to attend, express their views, make suggestions, and cast their votes via electronic communication means. Pursuant to the relevant provision in the Articles of Association, shareholders, and their proxies are allowed to exercise their respective rights at any General Assembly meeting, under the referenced regulations via the electronic system.

The Company does not grant any privileges to share groups or other shares. None of our shareholders controls, or is controlled by, the Company. Cumulative voting is not practiced in the Company.

The Articles of Association do not contain any provision prohibiting voting by proxy, who is not a shareholder of the Company.

2.5. Dividend Distribution Rights

The Board of Directors has adopted the dividend distribution policy in accordance with the Corporate Governance Principles published by the CMB. The Company distributes dividend in accordance with the Turkish Commercial Code, Capital Market Law, Tax Law, other applicable legislation and the articles related to profit distribution in the Company's Articles of Association. The annual dividend distribution proposal of the Board of Directors, which includes the matters stipulated in the dividend distribution policy and the CMB Corporate Governance Principles, is submitted for the approval of the shareholders at the General Assembly, and it is also publicly disclosed on the Company's website, alongside detailed information on the dividend distribution history and capital increases.

The profit distribution policy of our Company is defined in accordance with the clauses of the Turkish Commercial Code, Capital Market Law, and Articles of Association, taking into consideration the Company's operational performance, national financial situation, and market developments, in line with the expectations of the shareholders and requirements of our Company with the Board's proposal and resolution taken in the General Assembly. The Company plans to distribute a maximum of 70% of its net distributable profit for each accounting period in cash, as long as they can be disbursed by the current sources in legal records after due consideration of the Company's cash flow requirements. This policy shall be based on other funding requirements for future investments, industrial conditions, and the Company's financial situation. This policy shall be reviewed each year by the Board of Directors, taking into account of the domestic and global economic conditions, mid and long-term corporate growth and investment strategies and cash needs of the Company. The General Assembly may decide to distribute dividend in a higher rate or to transfer a part of or all of them to extraordinary reserves. In the event that the Board proposes not the distribute dividends to the General Assembly, the situation and how the undistributed dividend shall be used by the Company are explained to the shareholders in the General Assembly with legitimate reasons. The General Assembly makes a resolution specific to each financial year regarding dividends; profit distribution proposal has been announced to the public in compliance with the regulations and accessible at the Company website. The proposal shall be accepted or rejected by the General Assembly. The dividends are equally distributed to all shares in the relevant accounting period without taking expulsion and acquisition dates of them into consideration. Dividend distribution starts at a date that shall be set by the Board on the condition to get authorized by the General Assembly not later than the end of the year of the General Assembly meeting. The Company shall consider whether to make advanced dividend payment or distribute it in instalments or equally.

2.6. Transfer of Shares

The Articles of Association do not contain any practices that make it difficult for shareholders to transfer their shares, and there are no special provisions restricting the transfer of shares.

After the amendment to the Articles of Association was adopted at the ordinary General Assembly meeting held on March 28, 2013, there are no registered shares at our Company. In accordance with subparagraph 3, Article 137 of the Capital Market Law no. 6362, there is no provision in the Articles of Association that restricts the transfer of Ülker Bisküvi shares traded on Borsa İstanbul.

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PART III – PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Website of the Company and Its Contents

Our company website is available both in Turkish and English at www.ulker.com.tr. Furthermore, the company's investor relations website is available in Turkish and English at <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>. The following information is available at the company website for the purpose of disclosure to our shareholders:

- Information on Ülker Bisküvi and its Subsidiaries
- Company's Vision
- Code of Conduct
- Information on the Board of Directors and Executive Management
- Company's Shareholding Structure
- Company's Organizational Chart
- Social Responsibility
- Trade Registry Information and Company Profile
- Articles of Association
- Financial Statements and Notes
- Annual Reports
- Material Event Disclosures
- Corporate Governance Principles Compliance Report
- General Assembly Information
- Policies
- Committees
- List of Corporate Insiders
- Ülker on the BIST (Ratios and Charts related to the Company's Shares)
- List of Monitoring Analysts and Investor Presentations
- Bond Information
- Sustainability

3.2. Annual Report

The Annual Reports issued by our Company are prepared in conformity with; (i) Ministry of Customs and Trade "Regulation on Determining the Minimum Content of the Annual Reports of the Companies" (issued via Official Gazette n.28395 on August 28, 2012); (ii) Capital Markets Board ("CMB") Communiqué n.II-14.1 on "Principles Regarding Financial Reporting in the Capital Markets," and; (iii) Capital Markets Board regulations on Corporate Governance Principles. Upon the approval of our Board of Directors, the Annual Reports of our Company are publicly announced in conformity with the provisions of the relevant legislation and made available on our Investor Relations website.

All necessary measures have been taken to prevent the use of insider information, and information regarding the executives of our Company who are in a position to access information that may affect the value of capital market instruments and other persons/institutions from whom the Company receives services are notified to the relevant institutions in accordance with the legislation in force and published on the Company's website.

PART IV – STAKEHOLDERS

4.1. Informing Stakeholders

The term stakeholders related to the Company is used to refer to third parties who have a direct relationship with the Company. Stakeholders are informed about issues that concern them by inviting them to meetings or using telecommunication means when necessary. The Company respects and protects the rights of stakeholders that they have obtained through legislation and mutual agreements and contracts, taking into account that cooperation with stakeholders will benefit the Company in the long term. The corporate governance structure of the Company enables all stakeholders, including employees and representatives, to communicate their concerns regarding unlawful and unethical actions to the management.

In the event there is not any regulation in-laws or contracts regarding the rights of stakeholders, the Company endeavors to protect their rights in good faith and within means available to the Company with due consideration given to the reputation of the Company. Furthermore, Company employees may access the circulars and announcements through our internal portal, and important announcements are disseminated to all of our employees promptly via e-mail. There are no restrictions that prevent stakeholders from contacting the Corporate Governance Committee or the Audit Committee about any Company transactions they deem either unethical or contrary to regulations. Stakeholders may contact these committees by any communication means they prefer.

4.2. Participation of Stakeholders in Management

According to the Articles of Association, the Board of Directors has at least seven members who are elected by the General Assembly upon nomination by shareholders of different share classes in accordance with the Articles of Association.

The Board of Directors consists of eight members, three of whom are independent members. Although there are no specific efforts regarding stakeholders' participation in management, the Company takes note of the opinions and suggestions of employees, suppliers, non-governmental organizations and all other stakeholders. Furthermore, the employees are offered the opportunity to share and put into practice their ideas on Idea Stars, the Innovation, Inspiration and Idea Platform. Thus, employees can share their thoughts in order to bring different ideas from processes to business models into life and to find solutions to problems. Employees also have the chance to enter competitions under "calls" announced on Idea Stars and win specific awards.

The Human Resources Policies, determined in line with Ülker Bisküvi's strategies and in light of its common values and business ethics, have been documented and shared with employees in Türkiye and subsidiaries abroad. The Vice President responsible for Human Resources is assigned to determine and manage the principles of Ülker Bisküvi's human resources policy and to conduct relations with employees. All Human Resources practices are based on fairness, consistency, and reliability. In line with this principle, job descriptions of Ülker Bisküvi employees and the criteria for remuneration, performance, and rewarding systems are announced to employees in line with a determined timetable and are made equally known by all employees. In line with the organizational competency needs, Ülker Bisküvi develops a variety of training programs to address the development needs of all employees and offers them from the beginning of their employment. Within the scope of the training process that starts with orientation, functional competencies are strengthened and supported through academies and technical trainings, and soft skills through competency trainings. Online training platforms increase the global dissemination of the solutions offered. Career plans are made for employees in line with their knowledge, skills, and competencies. At the human resources planning meetings held every year, critical positions and the talents and competencies that will carry Ülker Bisküvi into the future are identified, the performance of potential employees is monitored, and their development is supported, thus preparing them for their possible future positions. Succession plans are created for all management positions and potential employees are placed in these plans. Candidates for management positions are thus trained, preventing situations that could disrupt the management of Ülker Bisküvi in the event of possible management changes. Ülker Bisküvi's approach in the training and development process is to improve Ülker Bisküvi's performance by working with the principle of continuous development in parallel with Ülker Bisküvi's vision and business goals. While planning the current and future development needs of employees in line with business requirements, Ülker Bisküvi aims to use internal resources effectively and efficiently. In line with its training and development policy, Ülker Bisküvi monitors employee development annually and supports it with revised content.

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4.3. Human Resources Policy

The main purpose of the Company's human resources policy is to build a team of high-performance employees by improving and developing the human capital on the basis of the things done so far. The human resources policy adopted by the Company is fundamentally that of Yıldız Holding's, and is available at <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>.

Ülker Bisküvi A.Ş. (Ülker) operates with the vision of contributing to economic, environmental and social sustainability as part of sustainability efforts. Respect for fundamental human rights is the main objective of all business processes. In this regard, Ülker Human Rights Policy was issued in 2016, on the basis of Universal Declaration of Human Rights, United Nations (UN) Global Compact, UN Convention on the Rights of the Child, International Labor Organization (ILO) Conventions, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and national laws. The report was translated in the languages of the regions where the Company has operations to ensure understanding of the Policy by stakeholders in all operational regions and made available on the Company website for access by all stakeholders. The Company has never received any complaints that its human resources policy is discriminatory.

4.4. Code of Conduct and Social Responsibility

Information on the corporate social responsibility activities of the parent company, Yıldız Holding, is available in our annual reports and on the website: <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>. Keenly aware of our social responsibility, the Company takes utmost care to adopt policies that support environmental, sports, educational, and healthcare-related projects. The code of conduct is also available in a related section on the website. The Company pursues continuity of service quality and standards in all phases of production. Ultimate attention is paid to the confidentiality of customers' and suppliers' trade secrets. Customer satisfaction is one of the main principles of our Company. Ülker Bisküvi, since its inception, has been a part of a group of companies that produce quality and healthy products; respect their employees; uphold the rights of their partners and shareholders, and of their suppliers and customers; comply with all applicable laws; recognize social values; and have social responsibility. In addition, the Group of companies' management philosophy pursues the highest level of respect and trust among executives, employees, suppliers, and customers; achieves employee cooperation and high performance of personnel; maintains dignity, consistency and a sense of trust and responsibility in its approach; all the while continually striving to improve this management philosophy. The Code of Conduct as adopted by Ülker Bisküvi is generally adopted by all Group companies and is disclosed to the public within the scope of the Group's information policy and is available to our shareholders on the website: <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>.

PART V – BOARD OF DIRECTORS

5.1. Structure and Formation of Board of Directors

The members of the Board of Directors are determined in a way that allows them to work efficiently and constructively, make quick and rational decisions, and organize the work of the committees effectively. The Ülker Bisküvi Diversity Policy is complied with in the process of determining the members of the Board of Directors. In this context, it is aimed to ensure diversity of age, gender, race, nationality, and ethnic origin in candidates during the nomination process for the Board of Directors. Prior to the General Assembly, the member's resume and his/her duties outside the Company are also submitted for the consideration of the shareholders. The resumes of the members of the Board of Directors are included in the Annual Report. The Board of Directors of our Company carries out its activities in a transparent, accountable, fair, and responsible manner in compliance with all the Corporate Governance Principles and the procedures and principles related to its structure, duties, management rights, and representation powers are governed by the Company's Articles of Association. The Company's Board of Directors has a one-tier board structure and all Board members have easy access to information about the Company and its management.

Our Board of Directors consists of at least 7 members in accordance with our Articles of Association. Our Board of Directors currently consists of eight members in total, including a Chairman, a Deputy Chairman, and six members, three of whom are independent members.

The qualifications of the Members of the Board of Directors of the Company comply with the required qualifications outlined in the relevant articles of the Corporate Governance Principles. Three of the members of the Board of Directors are elected as independent members determined in accordance with the CMB Corporate Governance Principles and regulations on corporate governance. Declarations of independence of the Independent Members of the Board of Directors were received prior to their appointment and these declarations remain valid. Within the related activity period, there are no issues that terminate the independence.

The term of office of the members of the Board of Directors is three years. If a membership is vacated for any reason, at its first meeting, the Board of Directors elects a new member and submits him/her for the approval of the General Assembly. This member completes the term of office of the leaving member. While the powers of the Chairman/members of the Board of Directors and Company executives are defined in the Company's Articles of Association, no one in the Company has unlimited decision-making authority alone.

The Board of Directors comprises executive and non-executive members. A majority of the Board Members are non-executive members. Non-executive members of the Board of Directors meet all of the criteria set forth by the Capital Markets Board regulations and are qualified to perform their duties without being influenced under any circumstances. Care is taken to ensure that the members of the Board of Directors allocate the necessary time for the Company's affairs, however, there is no restriction on them taking on other duties outside the Company. Independent members have the knowledge and sector experience to follow the operation of the Company's activities and to fully fulfill the requirements of the duties they undertake, and they can devote time to the business of the Company.

Pursuant to the Corporate Governance Principles, our Company is required to have 3 independent members on the Board of Directors. Since the Corporate Governance Committee can fulfill the duties of this committee if a separate Nomination Committee cannot be established due to the structure of the Board of Directors under the relevant regulations, the Corporate Governance Committee evaluated the nominations of candidates for independent membership, including the management and shareholders, by taking into account whether the candidates meet the independence criteria, and submitted its evaluations to the Board of Directors for approval. Independent Board Member candidates submitted their written declarations of independence within the framework of the criteria set forth in the legislation, Articles of Association, and communiqué to the Nomination Committee at the time of their nomination.

The written declarations of all independent members stating that they are independent within the framework of the criteria outlined in the legislation, Articles of Association, and communiqué are included in the corporate governance section of the annual report. In 2024, no situation arose that eliminated the independence of the independent members serving as a member of the Board of Directors. Article 4.3.4 of the Corporate Governance Communiqué stipulating that the number of independent members in the Board of Directors cannot be less than one-third of the total number of members has been fully complied with and the target number of independent members specified in the communiqué has been reached. 37.5% of the Board of Directors of Ülker Bisküvi is composed of independent members.

Corporate Governance Principles Compliance Report

Chairman of the Board of Directors and Chief Executive Officer (CEO) are different persons with separate duties.

Such a restriction is not needed, in particular, due to the significant contribution of the work experience and industrial experience of the members to the Board of Directors. Prior to the General Assembly, the member's resume and his/her duties outside the Company are also submitted for the consideration of the shareholders.

There are two female members on the Board of Directors, and the percentage of female members on the Board of Directors as specified in Article 4.3.9 of the Corporate Governance Communiqué is 25%. Efforts are underway to increase the number of female members on the Board of Directors in the coming years.

Name Surname	Position	Independence Status	Election Date	Term of Office	Duties in the Board of Directors and Committees	Duties Outside the Company
Ahmet Bal	Chair	Independent Member	14.06.2023	3 years	Chairman of the Board of Directors, Chairman of the Audit Committee, Member of the CGC*, Member of the EDRC**	Membership of the Board of Directors in Group and Non-Group Companies
Ali Ülker	Vice Chairman	Non- Independent	14.06.2023	3 years	Deputy Chair of the Board	Membership of the Board of Directors in Group Companies
Salman Amin***	Member	Non- Independent	24.04.2024	3 years	Board Member	pladis CEO
Sridhar Ramamurthy	Member	Non- Independent	02.05.2024	3 years	Board Member	pladis CFO
İbrahim Taşkın	Member	Non- Independent	14.06.2023	3 years	Board Member	Membership of the Board of Directors in Group Companies
Mete Buyurgan	Board Member and CEO	Non- Independent	14.06.2023	3 years	Board Member	Membership of the Board of Directors in Group Companies
Fatma Pınar Ilgaz	Member	Independent Member	14.06.2023	3 years	Board Member and Head of CGC	Membership of the Board of Directors in Group and Non-Group Companies
Füsun Kuran	Member	Independent Member	14.06.2023	3 years	Member of the Board of Directors, Head of EDRC, and Member of Audit Committee	Membership of the Board of Directors in Group and Non-Group Companies

* CGC: Corporate Governance Committee

** EDRC: Early Risk Detection Committee

*** Mr. Ahmed Salman Amin, who has been serving as a Member of the Board of Directors of our company, has resigned from his position due to personal reasons on February 25, 2025. It has been resolved that Mr. Özgür Kölüfakı shall be appointed to the vacated Board membership, subject to the approval of the next General Assembly.

Ahmet Bal – Chairperson of the Board – (Independent Member)

Born in 1957 in Tokat, Ahmet Bal graduated from Ankara University, Faculty of Political Sciences, Department of Economics and Finance and began his career in the Board of Accountants of the Ministry of Finance. Certified to be a Chief Accountant and Certified Public Accountant in 1991, Ahmet Bal completed his MBA in Business Administration at Nottingham University in the UK in 1992 and started working as an Assistant Financial Affairs Coordinator at Anadolu Endüstri Holding in 1994. Between 1995 and 1998, he was in charge of Anadolu Group's International Coca-Cola operations. Between 1998 and 1999, he worked as the General Manager of Efes Sinai Yatırım Holding A.Ş. Between 1999 and 2006, he was the Financial Affairs Coordinator in charge of the Automotive, Finance and Stationery companies under the Anadolu Endüstri Holding's Financial Affairs Department. Bal worked as the Auditing Coordinator in charge of the Group Companies at Anadolu Endüstri Holding between 2006 and 2012. Between 2013 and 2018, Bal served as the Auditing President in charge of the Audits of the Anadolu Group Companies. Ahmet Bal is married and has two children.

Declaration of Independence

I hereby declare to the Board of Directors, General Assembly, shareholders and all stakeholders that I am nominated to serve as an "independent member" on the Board of Directors of Ülker Bisküvi Sanayi Anonim Şirketi ("Company"), as per the criteria stipulated in the Corporate Governance Principles set forth in Capital Markets Board Communiqué on Corporate Governance (II-17.1) enacted upon publication in the Official Gazette no. 28871 on January 3, 2014; and that:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past 5 years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed, and during periods where products or services were purchased or sold,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of being an Independent Member of the Board of Directors,
- d) I do not work full-time in public institutions and organizations;
- e) I am considered to reside in Türkiye pursuant to the Income Tax Law no. 193 dated 31.12.1960;
- f) I have strong ethical standards, occupational reputation and experience to make positive contributions to the activities of the bank, to protect my objectivity in conflicts of interest between the bank stakeholders, and to decide independently considering the rights of the stakeholders,
- g) I am able to allocate time for the corporation's business to follow up on the activities of the corporation and duly fulfill the allocated duties;
- h) I have not served as a Board Member of the Company for more than 6 years in the past 10 years;
- i) I do not serve as an independent member of the board of directors in more than three companies, at which Holding or its shareholders who possess Holding's management control have management control, and in more than five companies in total that are publicly traded,
- j) I have not been registered and announced on behalf of the legal person elected as the Board Member,

I declare to the information of the Board of Directors, the General Assembly, our shareholders and all stakeholders.

Sincerely,

Ahmet Bal

Corporate Governance Principles Compliance Report

Ahmed Salman Amin-Board Member

Following his undergraduate study at the Civil Engineering Department of Syracuse University, Amin completed his MBA at the Kellogg School of Business at Northwestern University and received an Honorary Doctorate degree from De Montfort University. Earlier in his career, Salman Amin worked for Procter & Gamble in several countries, holding various positions in brand management across various consumer categories such as hair care, paper products, and Food. Amin spent 17 years at PepsiCo leading marketing, operational, and business development departments in beverages and snacks, including five years as President of PepsiCo UK & Ireland and four years as Global Chief Marketing Officer. After PepsiCo, he joined SC Johnson, first as President of North American Markets and then as President of Global Commercial for four years, leading the commercial organization. Salman Amin, who has held various positions in the United States, Germany, Saudi Arabia, Switzerland, and the United Kingdom throughout his professional career, was appointed as the CEO of pladis in 2019 and became a member of the Board of Directors of Yıldız Holding in 2023. A former member of the Global Advisory Board of the Kellogg School of Business, Amin has also served as a Board Member of the Grocery Manufacturers Association and The Elizabeth Arden Company. He is currently a Board Member of ITV PLC in the UK.

Ali Ülker - Deputy Board Chairman

Born in 1969, Ali Ülker completed his secondary education at the Istanbul High School for Boys and graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Economics and Business Administration. He attended various academic programs at IMD, INSEAD, Wharton and Harvard. Mr. Ülker took part in the De Boccard & Yorke Consultancy Company's Internal Kaizen Study (1992) and the IESC Sales System Improvement and Internal Organization Project (1997). He began his professional career in 1985 as a trainee in the Quality Control Department of Ülker Gıda A.Ş. Later, he served as an intern, Sales Executive, Sales Coordinator, Product Group Coordinator, and Product Group Manager between 1986 and 1998 at the chocolate production facilities and Atlas Gıda Pazarlama A.Ş. After becoming General Manager of Atlas Food Marketing in 1998, he was appointed Retail Group Vice-President in 2000 and subsequently General Manager at Merkez Food Marketing in 2001. He was appointed as the Deputy Chairman of the Organized Retail Food Group in 2002 and as the President of the Group in 2005. Ali Ülker, who has served as Vice Chairman of Yıldız Holding's Board of Directors since 2011, became Chairman of the Board of Directors on January 29, 2020. He currently serves as the Chairman of the Board of Directors for Yıldız Uluslararası Gıda Yatırımları A.Ş., a company that was founded in December 2023. Having strong knowledge and experience in marketing and sales, Mr. Ülker takes a special interest in innovation and supports the various teams working in this key area within the Group. Ülker enjoys mentoring youth. Ali Ülker, who loves being outdoors and in nature and doing sports, speaks English and German. Ali Ülker is married, and has 3 children.

Sridhar Ramamurthy - Board Member

Sridhar Ramamurthy, who has been serving as CFO at pladis since July 2019, was appointed as a Board Member of Ülker Bisküvi in May 2024. Prior to his current role, Sridhar worked at Unilever for 30 years, spending the last five years in London. Most recently, he served as Chief Corporate Solutions Officer. He has also served as Chief Auditor and Group Treasurer and Head of Tax, Pension and Insurance Division. Prior to moving to the UK, Sridhar spent five years as Senior Vice President Finance for Unilever South Asia and Chief Financial Officer for Unilever Limited, India. Before his assignments in India, Sridhar spent six years in Singapore as Unilever's Controller for the Asia, Africa, and Central & Eastern Europe regions. Earlier in his Unilever career, Sridhar held various executive positions in finance and supply chain roles in India. Sridhar started his career as a Finance Officer in the transportation division of Larsen and Toubro, one of India's largest engineering companies. Sridhar Ramamurthy, a gold medal-winning member of the Institute of Chartered Accountants of India, is also a member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He holds a Bachelor of Commerce degree from Mumbai University, India.

İbrahim Taşkın - Board Member

Born in Trabzon in 1963, İbrahim Taşkın completed his primary education in Trabzon and Artvin and his middle and high school education in Istanbul. He graduated from the Faculty of Law at Istanbul University in 1986. As a self-employed lawyer, he has been a member of the Istanbul Bar Association since 1989 and became one of the "lawyers concluding their 30th year in the profession" in 2019. Taşkın conducted academic studies starting from 1990 and delivered courses on Constitutional Law, Criminal Law, Criminal Procedural Law, Disciplinary Law, and Police Professional Legislation at Florya Police Education Center under the umbrella of the General Directorate of Security for four years. In addition to his experience in business, he assumed senior positions in politics at different levels between 1996 and 2004. Besides his career in academics and law, Taşkın places importance on non-governmental organizations and thus served as a Founder and Manager at numerous NGOs. He is the founder of "Sabri Ülker Food Research Institute Foundation," "Consumer and Environmental Education Foundation," "Science Dissemination Foundation" and "Ülker Members' Association." He is a member of the board at Yıldız Holding and a board member at many Group companies. He is also a member of the assembly of the Istanbul Chamber of Industry, a delegate of TOBB, and a member of MÜSİAD. Since 2004, Taşkın served as a Legal Consultant, Legal Affairs General Director, and since 2016 as Head of Global Legal Affairs at Yıldız Holding. In addition to this position, Taşkın chairs Global boards, including Ethics and Honor Board, Food Safety Board, and Regulation and Corporate Transactions. Taşkın is also in charge of coordinating Yıldız Holding's relations with public institutions, non-governmental institutions, and universities. He speaks English and is married, he has 4 children.

Mete Buyurgan-Board Member (Executive Member)

Mete Buyurgan was born and raised in Adana. After completing his undergraduate study at Çukurova University, Department of Business Administration, he completed his master's degree in Human Resources Management at Marmara University, Faculty of Business Administration in English. He then completed the Sales Management Program at New York University, further developing his competencies in the business world. After starting his professional career at Başer & Colgate Palmolive in 1994, Mr. Buyurgan assumed various positions in marketing and sales for 12 years. In order to gain experience in different areas of business processes, he joined Hobi Kozmetik A.Ş. as General Manager in 2005 and led the restructuring process of the company. Through this process, with the key team he assembled, he ensured the establishment of one of the largest personal care factories in Europe, growing the company four-fold in four years. This successful transformation paved the way for the sale of the company to India-based Dabur. Mr. Buyurgan served as Regional CEO of Dabur International for nearly four and a half years, managing Central Asia, North Africa, parts of the Middle East, Türkiye, and Iran regions. After joining Yıldız Holding as Vice President of the Food Group in 2013, Mete Buyurgan assumed management of various companies within the Holding. In 2016, he was appointed as the President of pladis Türkiye and in 2018, he expanded his area of responsibility and became the President of pladis Türkiye, Central Asia, Romania, and Balkans Region. In February 2020, he was appointed CEO of Ülker and started to lead the company's strategic growth journey. Buyurgan has a strong vision to consolidate Ülker's leadership in the chewing gum and confectionery, bakery products, and chocolate categories. Under his leadership, significant efforts are made in areas such as financial management, production, sales, marketing, human resources, supply chain, exports, sustainability, and brand perception. Mr. Buyurgan, who makes a difference with his profound experience in the business world, strategic management approach, and strong leadership skills, is married and has two children.

Corporate Governance Principles Compliance Report

Pınar Ilgaz - Board Member (Independent Member)

Pınar Ilgaz graduated from İzmir Bornova Anatolian High School in 1983 and from the Faculty of Administrative Sciences, Department of Public Administration of Boğaziçi University in 1988. Her areas of expertise cover Integrated Thinking Approach, Sustainability, Governance Structures, Human Resources Management, Organizational structure and functioning, Process Based Management, Institutionalization. After completing the Management Trainee program at Emlak Bank in 1989, he worked in the department of investment credit evaluation unit of the same bank. Later, assumed the position of Financing Assistant Manager at Vakıf Financial Leasing Inc. and carried out her mission for the next 3 years. Since 1995 she is working at ARGE Consulting. Currently she is taking part in various projects in ARGE Consulting as Managing Partner. Within the scope of the Strategic Assessment and Performance Improvement projects, Institutionalization, Sustainability Strategies, Integrated Reporting, Organization and Human Resources projects under ARGE Consultancy, Ms. Ilgaz has realized management consultancy projects for more than 100 institutions and companies of different magnitudes and in different sectors. She also provides consultancy services in the fields of governance, strategy, organization, and corporate performance management to leading companies operating in the field of international merchandising in the retail sector and to companies operating in the field of the production and international sales and marketing in the food sector. She serves as Vice Chairman of the Board of Directors at Argüden Governance Academy, a Board Member at the Private Sector Volunteers Association (ÖSGD), a Board Member at the Günyüzü Association, and a Member of the Sustainability Committee at the Women on Board Association. She has been selected for the "More Women In Boards" Program with 40 other female managers from Türkiye and has completed the training sessions that aim to prepare the participants for taking an active role in boards as Independent Members which include information and mentor guidance. She is among the authors of the books Kurumsal Yönetişim Modeli (Corporate Governance Model), Değişim Yönetimi (Management Of Change), and Gönüllü Kuruluşların Yönetimi (Management Of Volunteering Organizations).

Declaration of Independence

I hereby declare to the Board of Directors, General Assembly, shareholders and all stakeholders that I am nominated to serve as an "independent member" on the Board of Directors of Ülker Bisküvi Sanayi Anonim Şirketi ("Company"), as per the criteria stipulated in the Corporate Governance Principles set forth in Capital Markets Board Communiqué on Corporate Governance (II-17.1) enacted upon publication in the Official Gazette no. 28871 on January 3, 2014; and that:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past 5 years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed, and during periods where products or services were purchased or sold,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of being an Independent Member of the Board of Directors,
- d) I do not work full-time in public institutions and organizations;
- e) I am considered to reside in Türkiye pursuant to the Income Tax Law no. 193 dated 31.12.1960;
- f) I have strong ethical standards, occupational reputation and experience to make positive contributions to the activities of the bank, to protect my objectivity in conflicts of interest between the bank stakeholders, and to decide independently considering the rights of the stakeholders,
- g) I am able to allocate time for the corporation's business to follow up on the activities of the corporation and duly fulfill the allocated duties;
- h) I have not served as a Board Member of the Company for more than 6 years in the past 10 years;
- i) I do not serve as an independent member of the board of directors in more than three companies, at which Holding or its shareholders who possess Holding's management control have management control, and in more than five companies in total that are publicly traded,
- j) I have not been registered and announced on behalf of the legal person elected as the Board Member,

I declare to the information of the Board of Directors, the General Assembly, our shareholders and all stakeholders.

Sincerely,

Pınar Ilgaz

Füsun Kuran - Board Member (Independent Member)

Füsun Kuran started her career as an auditor at Arthur Andersen and became General Manager at Stefanel in 2001. In 2005, she was honored with Capital Magazine's "Youngest General Manager on the Road to Success" award. In 2013, Füsun Kuran became the General Manager of Brooks Brothers and served as the CEO of RMK Classic, which includes Brooks Brothers and Edwards brands, until January 2019. Having served as the President of the Registered Trademarks Association (TMD) for two terms in 2010-2012 and 2014-2016, Kuran is currently serving as the vice president of the association. She has been a Board Member of the Turkish Federation of Shopping Centers and Retailers since November 2018. Füsun Kuran, an experienced name in the business world, served as the CEO of Make-A-Wish® Türkiye, an international organization for children struggling with life-threatening diseases, between 2019 and 2022, and continues as the founder and chairman of the board of directors of the İyi ki Foundation as of 2022. Ms. Kuran, who is a Certified Public Accountant, is an Independent Board Member of Ülker Bisküvi and Kerevitaş and serves on the Audit and Risk Committees.

Declaration of Independence

I hereby declare to the Board of Directors, General Assembly, shareholders and all stakeholders that I am nominated to serve as an "independent member" on the Board of Directors of Ülker Bisküvi Sanayi Anonim Şirketi ("Company"), as per the criteria stipulated in the Corporate Governance Principles set forth in Capital Markets Board Communiqué on Corporate Governance (II-17.1) enacted upon publication in the Official Gazette no. 28871 on January 3, 2014; and that:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past 5 years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed, and during periods where products or services were purchased or sold,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of being an Independent Member of the Board of Directors,
- d) I do not work full-time in public institutions and organizations;
- e) I am considered to reside in Türkiye pursuant to the Income Tax Law no. 193 dated 31.12.1960;
- f) I have strong ethical standards, occupational reputation and experience to make positive contributions to the activities of the bank, to protect my objectivity in conflicts of interest between the bank stakeholders, and to decide independently considering the rights of the stakeholders,
- g) I am able to allocate time for the corporation's business to follow up on the activities of the corporation and duly fulfill the allocated duties;
- h) I have not served as a Board Member of the Company for more than 6 years in the past 10 years;
- i) I do not serve as an independent member of the board of directors in more than three companies, at which Holding or its shareholders who possess Holding's management control have management control, and in more than five companies in total that are publicly traded,
- j) I have not been registered and announced on behalf of the legal person elected as the Board Member,

I declare to the information of the Board of Directors, the General Assembly, our shareholders and all stakeholders.

Sincerely,

Füsun Kuran

Corporate Governance Principles Compliance Report

5.2. Operating Principles of the Board of Directors

Under normal conditions, the Board of Directors convenes at least four times a year to make strategic assessments of the Company's activities and to evaluate the developments in the period between the two meetings. In 2024, the Board of Directors held 5 (five) actual meetings and the average attendance rate was 100% in these meetings. Except for the decisions adopted at the meeting in question, all other decisions have been adopted through the circulation of minutes. In these meetings, adequate and transparent information on the strategy and activities of Ülker Bisküvi Sanayi A.Ş. was obtained, enabling strategic assessments to be made, and the members of the Board of Directors were regularly informed about the Company's performance and developments. The quorum for meeting and decision is the absolute majority of the total number of members. The Board of Directors adopted 44 Board resolutions during the year. The independent members of the Board of Directors voted in favor of all these resolutions adopted. If there are different opinions and grounds for dissenting votes expressed at the meetings of the Board of Directors, these shall be recorded in the minutes of the Board of Directors and in this case, the detailed justifications of the members who cast dissenting votes shall be disclosed to the public. In the meetings of the Board of Directors held in 2024, no such dissent or different opinion was expressed, therefore no public disclosure was made, and auditors were not informed. Each member of the Board of Directors is entitled to a single voting right.

Board of Directors' Meetings

The Board of Directors convenes when the Company's business requires it. The place of the meeting is the head office of the Company. The Board of Directors meetings may convene at any other convenient place in or outside of Türkiye, subject to the Board of Directors' resolution. The agenda of the meetings of the Board of Directors is determined by notifying the Company's senior management and the members of the Board of Directors by the relevant departments of the issues that the relevant legislative legislation stipulates that they should be decided by the Board of Directors. In addition, the agenda of the meeting is also determined by notifying the Company's senior management of the necessity of deciding on an important issue by any member of the Board of Directors. The issues required to be discussed at the meeting of the Company's Board of Directors are gathered and consolidated at the Finance and Financial Affairs Deputy Directorate General and the agenda is determined. The minimum attendance requirement for each member at Board of Directors meetings during the year has been determined as 50%.

The presence of the majority (50% and more) of the total number of members of the Board of Directors is required for a resolution to be adopted, without prejudice to the provisions of the Capital Market Legislation. Resolutions shall be adopted by a majority of votes of members present at the meeting. Meetings may be conducted through teleconference, video conference, or voice or video communication means and resolutions may be adopted upon signing the minutes related thereto. A resolution may be adopted without the need for a meeting in case that all of the members of the Board of Directors unanimously approved the resolutions by signing them. Board members who have the right to participate in the Board meetings can attend via an electronic environment as per Article 1527 of the Turkish Commercial Code. The Company may set up its own electronic meeting system, or subscribe to services from the systems formed by service providers for this purpose, that will enable the right holders to participate and vote at these meetings via electronic media pursuant to the provisions of the Communiqué Regarding Boards to be Convened via Electronic Media in Commercial Companies other than General Assemblies of Joint Stock Companies. It shall be ensured in those meetings that the beneficiaries exercise their rights set forth in the provisions of the relevant legislation within the framework of relevant Communiqué of the Ministry through the system set-up or through the system from which support will be received under this provision of the Articles of Association.

In cases where the meetings of the Board of Directors are held electronically, the provisions of the Articles of Association regarding the meeting quorums are applied exactly as they are. In 2024, the Board of Directors monitored the meeting minutes and reports of the Audit Committee, Corporate Governance Committee and Risk Committee. No related party transactions or other transactions of significant nature were submitted to the approval of the independent Board members during the year. Any material information which must be disclosed to the public is promptly disclosed after the end of each meeting. Material resolutions of the Board of Directors are disclosed to the public via PDP and these material event disclosures are posted on the corporate website in Turkish and English.

5.3. Numbers, Structures, and Independence of Committees within the Board of Directors

Corporate Governance Principle No. 4.5.1 stipulates that an Audit Committee, a Corporate Governance Committee, a Nomination Committee, an Early Detection of Risk Committee, and a Remuneration Committee should be established in order to fulfill the duties and responsibilities of the Board of Directors in a healthy manner; however, if a separate Nomination Committee and a Remuneration Committee cannot be established due to the structure of the Board of Directors, the Corporate Governance Committee may fulfill the duties of these committees. Audit Committee, Corporate Governance Committee and Early Risk Assessment Committee were established by the Board of Directors. The established committees of the Board of Directors actively carry out their tasks. Committee chairs are elected from among the independent members of the Board of Directors. Independent members assume tasks in multiple committees. Committees generally convene a few days before, or on the same day as, Board of Directors' meetings. Working principles of the committees formed under the umbrella of the Board of Directors were prepared, and necessary arrangements were put in place regarding the monitoring of such principles by relevant units. The working principles of the committees are available on the Company's corporate website.

The duties of the Remuneration and Nomination Committees are also fulfilled by the Corporate Governance Committee in accordance with the Corporate Governance Principles.

In 2024, all the committees of the Board of Directors fulfilled their duties and responsibilities within the scope of the Corporate Governance Principles and their working principles and convened in accordance with their working plans. During the operations of the Committee, the opinions of the Company executives and the independent auditor were also obtained when necessary. The committees presented their reports on their activities and the results of their meetings held during the year to the Board of Directors. The Board of Directors believes that the expected benefit is obtained from the works of the committees of the Board of Directors.

Audit Committee

The Audit Committee, which was established by a resolution of the Board of Directors on May 22, 2006, was restructured by a resolution of the Board of Directors dated August 5, 2008, in accordance with Communiqué No. 22 Serial No. X of the Capital Markets Board. The Audit Committee is in charge of assisting the oversight of Board of Directors regarding accuracy and quality of the financial statements and related disclosures of the Company; implementation and effectiveness of the accounting system of the Company; qualifications and independence of independent auditors; determination of the independent audit company; approval and review of the contract between the independent auditor and the Company; effective functioning of the independent audit system; and implementation and effectiveness of the internal audit practices at the Company. The Audit Committee is composed of at least two members elected by the Board of Directors from among independent board members.

The Audit Committee meets four times a year, at least quarterly. In 2024, the Audit Committee convened four times and the reports containing the opinions and comments of the committee were submitted to the Board of Directors. All members of the Audit Committee are selected among the Independent Board Members. This committee was composed of two members; Ahmet Bal was elected as the Chairman and Füsün Kuran as the member. It was established to observe the operation of the Company's accounting and reporting systems in line with applicable laws, rules, and regulations, the public disclosure of financial information, and the effective functioning of the independent audit and internal control system. Detailed information on the duties, responsibilities, and working principles of the Audit Committee is available on the Company's website at www.ulkeryatirimciiliskileri.com.tr.

Chair	Ahmet Bal	Chairperson of the Board (Independent)
Member	Füsün Kuran	Board Member (Independent)

Corporate Governance Principles Compliance Report

Corporate Governance Committee

In accordance with the Corporate Governance Principles published by the Capital Markets Board, a Corporate Governance Committee has been established within the Company to monitor the Company's compliance with the Corporate Governance Principles, to carry out improvement activities in this regard, and to submit proposals to the Board of Directors. Duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee as well. Independent Board Member F. Pınar Ilgaz was elected as the Chairman of the Corporate Governance Committee and Independent Board Member Ahmet Bal and Investor Relations Director V. Beste Taşar were appointed as members. The Committee convenes as often as required by the duties assigned to it and held four meetings in 2024. In 2024, the Corporate Governance Committee evaluated the Company's corporate governance practices and the Corporate Governance Principles Compliance Report and also presented information to the Board of Directors on the activities of the Investor Relations Unit. In addition, the Corporate Governance Committee, which also serves as the Nomination Committee and the Remuneration Committee, has worked on the effectiveness of the Board of Directors' work, the nomination of independent Board member candidates, and the benefits provided to Board members and senior executives. Detailed information on the duties, responsibilities, and working principles of the Corporate Governance Committee is available on the website at www.ulkeryatirimciiliskileri.com.tr.

Chair	Pınar Ilgaz	Board Member (Independent)
Member	Ahmet Bal	Chairperson of the Board (Independent)
Member	Verda Beste Taşar	Investor Relations Director

Early Detection of Risk Committee

The Early Detection of Risk Committee, which operates under the Board of Directors, is responsible for

- Early detection of strategic, operational, financial, compliance/legal, and any other risks that may jeopardize the existence, development, and sustainability of the Company in a systematic manner,
- Assessment of the impacts and probabilities of the identified risks periodically within the framework of the Company's corporate risk-taking limits/risk appetite,
- Establishing an effective corporate risk management system to prioritize the risks whose assessments have been completed and to create the action plans needed to reduce their impact

and/or probability, monitoring such risk management activities to ensure their effectiveness and development, and reporting them periodically to the Board of Directors.

The Early Detection of Risk Committee consists of at least two independent non-executive members of the Board of Directors. The Chief Executive/ General Director may not assume duties in the committees. The meetings of the Committee may be held with members attending in person or via technological communication means. The timing of the committee meetings is in accordance with the board meetings to the extent possible. The Committee is obliged to submit to the Board of Directors a report on the findings and suggestions it has reached in relation to its duties and responsibilities as a result of the meetings it has held. In 2024, the Early Detection of Risk Committee convened six times and reports containing the opinions and comments of the committee were submitted to the Board of Directors.

Chair	Füsün Kuran	Board Member (Independent)
Member	Ahmet Bal	Chairperson of the Board (Independent)

Independent Board Members Ahmet Bal, Füsün Kuran, and Pınar Ilgaz fully attended the meetings of the Corporate Governance Committee, Audit Committee, and Early Detection of Risk Committee, and the meeting attendance rate was realized as 100% for each independent member separately.

5.4 Risk Management and Internal Audit Mechanism

Internal Control

Ülker Bisküvi has established an internal control system to effectively manage its operations, minimize risks, and achieve its targets. This system is designed to protect the integrity of the Company's assets and information, increase operational efficiency, and ensure compliance with legal regulations. The internal control system is regularly evaluated in areas such as operational processes, financial reporting, risk management, and compliance by the Internal Audit Department established within the Holding. In addition to analyzing and evaluating the internal control systems, the Internal Audit Department also provides improvement suggestions to Ülker Bisküvi's senior management. The Internal Audit Department shares the results of its activities with the Ülker Bisküvi Audit Committee four times a year. The Audit Committee is a body established by the Company's Board of Directors with at least two independent members elected from among its own members and its primary function is to assist the Board of Directors in its supervisory duties in relation to accounting, auditing, internal control system, and financial reporting practices. The Audit Committee convenes at least four times a year, at least once every three months.

Risk Management

Ülker Bisküvi has adopted corporate risk management principles to maximize the value and risk assurance provided to its stakeholders, to identify and measure risks early, and to monitor them continuously and effectively. Ülker Bisküvi continues its operations with a prudent and strong risk management approach since its foundation and carries out its risk management activities in a holistic and proactive manner to better manage the uncertainties triggered by recent global developments.

Risks identified through risk management processes are systematically monitored and measured using quantitative and qualitative measurement criteria in line with written risk policies in accordance with international standards and the Company's corporate risk appetite within the scope of risk management strategies that are vital for the Company's sustainable performance. These processes both increase transparency and ensure a more systematic assessment of risks in investment and operational decisions.

The Corporate Risk Management Department, which operates under the Financial Affairs Deputy Directorate General, carries out its activities in order to identify all kinds of risks that may jeopardize the existence, development, and continuity of the Company and that affect the decisions to be adopted or have already been adopted within the scope of the Company's activities, together with the risk owners, to plan and implement the necessary measures and actions, to ensure that the risks are managed in a coordinated manner within a management system, to review them, and to report them to the Senior Management. In line with the Triple Line of Defense approach adopted in Corporate Risk Management processes, senior executives are responsible for the management of risks related to their business functions or organizations, and for taking and monitoring the necessary actions to mitigate the impact and probability of such risks within the framework of action plans. Ülker Bisküvi Early Detection of Risk Committee carries out, on the other hand, the activities for establishing the corporate risk management system implemented throughout the Company, ensuring its development, observing and monitoring its effective functioning, and reporting it to the Board of Directors. (For detailed corporate risk management activities, see "Corporate Risk Management" heading)

5.5. Strategic Goals of the Company

Mission, Vision, and Strategic Objectives of the Company: The Company and all subsidiaries of Yıldız Holding were founded on the philosophy that "every person has the right to a happy childhood regardless of the country they live in." The vision and mission of Yıldız Holding and our Company is disclosed to the public and is available on the websites: www.ulker.com.tr and <https://ulkerbiskuviyatirimciiliskileri.com/>.

5.6. Remuneration

Remuneration of the members of the Board of Directors is determined – separately for each member – by the General Assembly according to the financial situation of the Company. No loan was extended to any member or executive officer during the period, nor extended, directly or through a third party, any personal loan or given any collateral on their behalf, such as a surety. Principles for remuneration regarding the benefits of executive management and the Board of Directors are explained in detail on the website: <http://ulkerbiskuviyatirimciiliskileri.com/default.aspx>

Declaration of Compliance to Sustainability Principles

With the Communiqué on Amendment (II-17.1.a) of the Communiqué on Corporate Governance (II-17.1) published in the Official Gazette dated October 2, 2020; partners subject to Corporate Governance Principles shall include the title of "Sustainability Principles Compliance Framework" in their reporting for the compliance to Corporate Governance Principles; and also provide information whether or not Sustainability Principles are implemented, and, if not, a reasoned explanation, as well as an explanation regarding the impacts on environmental and social risk management due to not fully complying these principles in their annual reports. Ülker Bisküvi complies with the principles published as part of the "Sustainability Principles Compliance Framework" of CMB through environmental, social and governance (ESG) policies that the Company has been sharing on its website as well as the Sustainability Reports disclosed to the public since 2015. Every year, the Company sustains and improves its activities in ESG. The details regarding the criteria mentioned in the principles and the performance data will be accessible in 2024 Sustainability Report to be published in June. Works are ongoing to share the related data in annual reports in the upcoming periods. The goal is to achieve full compliance to the non-obligatory "Sustainability Principles" and the criteria that are not included within the principles are explained below. Work on the principles that have not been put into practice yet are in progress and it is planned to be implemented after the completion of administrative, legal and technical infrastructure works in a way that will contribute to the effective management of our Company.

Environmental Principles

There is no carbon pricing system and carbon credit, it is planned to take carbon credit for 2025.

There are no electricity, heat, steam, and cooling generation activities and works to establish a renewable energy power plant are ongoing.

Social Principles

Efforts are being made to establish a customer satisfaction policy.

Developments on human rights are not disclosed in detail; however, the issue will be improved in the upcoming periods.

Ülker Sustainability Reports are published on the website: <https://www.ulker.com.tr/tr/toplum-icin/surdurulebilirlik>

Sustainability Principles Compliance Framework

Pursuant to the Capital Markets Board's decision dated 23.06.2022 and numbered 34/977 and Corporate Governance Communiqué numbered II-17.1, the disclosures required to be made within the scope of the sustainability principles compliance framework by the companies whose shares are traded on the Main Market, Stars Market and Sub-Market of the Stock Exchange were prepared in the format specified in the CMB's Principle Decision on the Public Disclosure Platform (PDP) and announced on 09.10.2024 with the "Sustainability Report" template under the "Material Event Disclosure Submission" menu in the PDP-BIY application. The relevant explanations can be accessed at <https://www.kap.org.tr/tr/Bildirim/1346424>.

Risk Management

In line with the corporate risk management framework, risks, which are identified and managed from an integrated perspective by taking into account their interactions with each other and root causes, are monitored under four main groups:

Strategic Risks: The risks that may arise as a result of failing to meet the expectations and needs of stakeholders within the framework of future-oriented expectations to the extent that may prevent the Company from achieving its objectives, or failing to adequately adapt to changes following significant regulations at both global and local levels. Risks that may arise as a result of changes in product demand, market regulations that may affect competition and market share, consumer/stakeholder trends and expectations, and factors that may affect the business model are assessed under this heading. The product diversity is ensured by monitoring changes in consumer habits and expectations through periodically renewed stakeholder analyses and consumer surveys conducted in different areas, as well as with innovative products that focus on balanced nutrition and wellbeing trends. R&D activities are carried out within the framework of trainings, studies, and collaborations with various universities and research institutes to enhance the development of innovation culture within the organization. Significant/restrictive regulations regarding our geography of operation or the sector in which we operate are closely monitored, the possible effects of such changes on our Company are analyzed, and action plans are implemented proactively, thus managing our strategic risks more effectively.

Financial Risks: Liquidity risks that may arise from fluctuations in important indicators such as exchange rates, inflation, commodity prices, interest, etc. in financial markets, and risks that may arise from partial or total failure to fulfill financial obligations to our Company as a result of deterioration in the financial situation of third parties, etc. The exchange risk, liquidity risk, and interest rate risk are the primary financial risks of the Company. The relevant finance teams within the Company closely monitor a wide range of macro- and micro-level financial data and indicators and take the necessary measures to ensure that these financial risks remain within the limits of the Company's risk appetite.

Exchange Rate Risk: The Company is exposed to foreign exchange risk due to the changes in the exchange rates used in the conversion of foreign currency-denominated assets and liabilities into Turkish Lira. Foreign currency risk arises from the difference between future commercial transactions, recognized assets and liabilities and the Company controls this risk with a natural hedge method by netting off foreign currency assets and liabilities. In addition to the natural hedging method, various financial derivative instruments are used when necessary to manage exchange rate risk more effectively.

Liquidity Risk: Within the framework of effective liquidity management, it is aimed to increase and maintain the sustainability of funding resources in sufficient quantity and quality in order to meet cash needs. Liquidity risk is managed by monitoring cash inflows and outflows, observing the compatibility of their maturities, managing inventories effectively, and maintaining an adequate level of cash and financial instruments convertible into cash.

Interest Rate Risk: The Company's borrowings at fixed and floating interest rates expose it to interest rate risk. The risk in question is managed by making an appropriate apportionment between fixed- and floating-rate borrows through interest rate swap agreements. Hedging strategies are regularly evaluated to ensure alignment with interest rate expectations and risk appetite. Thus, it is aimed to create an optimal hedging strategy, review the balance sheet position, and keep interest expenses at a controllable level in line with the Company's risk appetite at different interest rates.

Operational Risks: Risks that may arise from failure to carry out processes effectively or failed business processes arising from failure to design processes adequately efficient, infrastructural or technological problems, human errors, etc. Inefficiencies and/or disruptions that may arise in processes such as information security, technological infrastructure, business continuity, quality, human resources, procurement/logistics, purchasing, etc. are primary operational risks. Various preventive controls are included in business processes in order to protect information security systems from damage, protect from cyber-attacks, prevent data leakage by ensuring data integrity and security, and thus ensure business continuity. Internal and external audits and penetration tests are carried out periodically for information security. All employees are provided with mandatory information security trainings in order to raise awareness on the subject. Periodic internal and external audits are conducted at our production facilities to monitor compliance with international quality and food safety standards, while periodic risk analysis studies are conducted for our suppliers to assess their environmental, social, and ethical performance. A talent management process has been launched to identify and develop the competencies of employees, and within this framework, actions are taken for the individual development of employees, and their career plans are made. Online trainings, specialization programs, management trainings, and personal and professional development programs are offered to our employees in order to promote a culture of lifelong learning. Thus, it is aimed at managing our outstanding operational risks more effectively through the aforementioned practices.

Compliance Risks: These are the risks that the Company may be exposed to as a result of difficulties that may be encountered in complying with internal legislation, procedures, and principles, especially ethics and external legislation requirements that the Company is subject to based on the region and sector in which it operates. In order to prevent potential compliance risks and manage them more effectively, we closely monitor all applicable national and international legislation, especially those related to competition, personal data protection, tax, and human rights. We have policies and an ethics hotline established to ensure that ethical principles, which are among our most fundamental values, are adopted in our entire business conduct and value chain, and we aim to manage compliance risks more effectively by providing regular trainings to our employees in order to raise awareness regarding these ethical principles.

All employees are provided with corporate risk management trainings throughout the Company in order to raise consciousness on risk awareness and risk culture and to carry out corporate risk management activities more effectively. Risk management bulletins are prepared and shared periodically with our senior executives to provide forecasts regarding prominent developments and risks, especially economic and geopolitical developments at the global level and, in particular, in our country.

The main risk projections that may pose an obstacle to the realization of our company strategies are periodically evaluated and the possible financial effects of these projections are monitored within the framework of scenario analyses, taking into account the variables determined. In line with these projections, the risks included in the risk inventory are periodically evaluated in terms of their impact and probability, and changes in these risks and the reasons for these changes are periodically reported to the Senior Management and the Early Detection of Risk Committee. As a result of the assessments, if there are outstanding risks that are not included in the risk inventory, they are included in the risk inventory and the inventory is updated.

Risk Management

The risks prioritized as a result of periodic risk assessments are analyzed in detail with the risk management software within the framework of root cause analyses and accordingly, action plans are created to reduce the impacts and/or probabilities of these risks.

The Corporate Risk Management approach, which focuses on increasing risk culture and awareness throughout the Company, aims to manage risks;

- Related to uncertainties and potential events that may adversely affect the Company's strategies, in accordance with the Company's risk appetite and strategies,
- In a proactive and systematic way, based on projected developments and data,
- Within the framework of an integrated perspective, by taking into account the interactions of all risks with each other and their root causes.

In today's ecosystem, where economic and geopolitical developments are taking place at a dizzying pace, keeping pace with the changes in question and proactively monitoring and effectively managing the new risks that develop with these changes have become the critical success factors in achieving the Company's strategies.

Especially in recent years, hot conflicts between states and exacerbated political tensions between various regional, economic, and political unions have increased geopolitical risks at the global level. These risks, which started with geopolitical tensions, had significant geo-economic consequences that led to a global fluctuation in energy and commodity prices, particularly in inflation. Ülker Bisküvi effectively manages geo-economic risks, particularly exchange rate, liquidity, and interest rate risks, which have been triggered by geopolitical developments and have recently gained more importance, within the framework of the holistic risk management approach described under the heading of financial risks, and continues to implement the necessary action plans and risk mitigation strategies. On the other hand, especially in the recent period, climate change and the climate crisis have started to be considered as a risk factor that directly affects the food sector as well as all other sectors, increasing its importance in terms of the sustainability of our activities. Ülker Bisküvi, which focuses on a waste-free company model, implements the necessary strategies, policies, and targets to effectively manage sustainability risks that may arise from environmental, social, governance, and economic factors in order to be a leader in sustainability and create long-term value. In this respect, we continue our sustainability efforts, which we accelerated in 2014 and continue to carry out successfully, with efforts to prevent potential risks by evaluating sectoral and global trends and regulations, innovative approaches in this field, and the potential impact of these developments on our business processes within the framework of various scenarios. The potential impacts of climate-related physical risks and transition risks on our Company's operations are identified and detailed risk analyses (water stress, etc.) are carried out in order to effectively manage these risks. Thus, we prioritize our efforts to prevent/mitigate potential risks and seize relevant opportunities by including them in our strategic decision-making processes in order to build a more agile and resilient management system.

Other Issues Regarding Company Operations

- In 2024, the Company did not have any private audit whereas public audit was carried out by the Competition Authority and the Turkish Tax Inspection Board. Currently, no reports have been received by the Company regarding audit results.
- In 2024, no administrative or judicial penalty for any breach of Legislation provisions was given to our Company or the Members of the Board of Directors of our Company.
- The Company achieved the goals set for 2024 to a great extent. In 2024, the resolutions of the General Assembly were fulfilled.
- In 2024, there were no legal proceedings launched in the interest of the Company or measures taken or refrained to be taken in the interest of an affiliated company.
- There is no measure taken or refrained to be taken to the detriment of the Company in 2024.
- There is no lawsuit filed against the Company which may affect its financial situation and activities in 2024.
- There were no conflicts of interest between the Company and other institutions of investment advisory and rating agency, and no measures taken by the Company in order to prevent conflicts of interest.

Statement of Responsibility Regarding the Annual Report

BOARD RESOLUTION CONCERNING THE APPROVAL OF THE FINANCIAL STATEMENTS

VERDICT DATE: 10/03/2025

VERDICT NO: 2025/6

WE HEREBY PRESENT OUR STATEMENT OF RESPONSIBILITY ISSUED AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUÉ no. II-14.1

Regarding the period between January 1-December 31, 2024, the Capital Markets Board (CMB) Serial II.14.1. consolidated financial statements with the "Communiqué Regarding The Principles of Financial Reporting in the Capital Market" ("Communiqué") and CMB's decision no. 10.1.2019 dated 2/49 and Turkish Accounting Standards/Türkiye Financial Reporting Standards ("TMS/TFRS"), and footnotes prepared in accordance with the formats set by the CMB, and the Statements, enterprise governance compliance report (URF) and Corporate Governance Information Form (KYBF) via year-end Annual Report and PDP platform) in accordance with the regulations of the CMB legislation of The Corporate Governance Reports published in accordance with the templates; our company declares the following;

- a) were reviewed by us,
- b) Within the framework of the information we obtained in the scope of our tasks and responsibilities, we have concluded that the above mentioned does not contain any misleading disclosure of material matters or any deficiencies that might cause misconception about the disclosure as of the date it was made,
- c) Within the framework of the information we obtained in the scope of our tasks and responsibilities, we have also concluded that; (i) the consolidated financial statements, prepared and issued in accordance with the financial reporting standards, honestly reflect the facts about the assets, liabilities, financial status, profit/loss of the Company, and (ii) the Annual Report honestly reflects the progress and performance of the business, the financial situation of the Company together with the activities included within the scope of consolidation, as well as the important risks and uncertainties.

With kind regards;

Serkan Aslıyüce

Financial Affairs Leader

Ahmet Bal

Audit Committee Chairman

Füsün Kuran

Audit Committee Member

Subsidiary Company Report Results

As per the 199th Article of the Turkish Code of Commerce n. 6102 that entered into force on the 1st of July 2012; Ülker Bisküvi Sanayi A.Ş. Board of Directors is responsible for; (i) issuing a report in the first three months of the activity period about the relations between Ülker Bisküvi Sanayi A.Ş. and the Company's controlling shareholder and the affiliates of the controlling shareholder in the previous activity period, and; (ii) include the conclusion of this report in the Annual Report. Necessary explanations about Ülker Bisküvi Sanayi A.Ş.'s transactions with the related parties are given in footnote no. XX of the financial report.

Ülker Bisküvi Sanayi A.Ş. Board of Directors states: "We have reached the conclusion based on the circumstances we knew about at the time of making the transaction or taking the measure or avoiding the measure; in all transactions between Ülker Bisküvi Sanayi A.Ş. and its controlling shareholders and the affiliates of the controlling shareholders in 2024, appropriate consideration was provided in each transaction, and there were no measures, taken or avoided, that could cause loss for the company, and within this scope, there were no transactions or measures that would require offsetting."

Independent Audit Report

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Ülker Bisküvi Sanayi A.Ş.

1) Opinion

As we have audited the full set consolidated financial statements of Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 1 January 2024–31 December 2024, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Board of Directors' discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 1 January 2024 – 31 December 2024 in our Auditor's Report dated 10 March 2025.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Group's activities subsequent to the financial year ends,
 - The Group's research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ömer Yüksel.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Yüksel
Partner

İstanbul, 10 March 2025

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024
(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Ülker Bisküvi Sanayi A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matter

Kilit denetim konuları, mesleki muhakememize göre cari döneme ait konsolide finansal tabloların bağımsız denetiminde en çok önem arz eden konulardır. Kilit denetim konuları, bir bütün olarak konsolide finansal tabloların bağımsız denetimi çerçevesinde ve konsolide finansal tablolara ilişkin görüşümüzün oluşturulmasında ele alınmış olup, bu konular hakkında ayrı bir görüş bildirmiyoruz.

Key Audit Matter	How the matter was addressed in the audit
<i>Fair value calculations of financial assets measured at fair value through other comprehensive income</i> As can be seen in detail in Note 5, as of 31 December 2024, the Group's unquoted financial investments amounting to TL 4,646,288 thousand, recognized as financial assets at fair value through other comprehensive income in its consolidated financial statements, consist of shares in G-New Inc and Godiva Belgium BVBA. The fair value of these financial investments has been calculated by the income approach using discounted cash flows. It has been considered as a key audit matter by us because the fair value calculation includes data that cannot be easily observed in the market, the calculation is dependent on the final growth rate, weighted average cost of capital estimates, the achievement of the next 10-years projections, and the relevant financial assets are material to the consolidated financial statements.	The audit procedures applied including but not limited to the following are: • The processes related to the fair value determination of the Group's financial assets have been analyzed and the design and implementation of the controls related to these processes have been evaluated. • The competencies and impartiality of the valuation experts appointed by the management were evaluated. • We have evaluated the appropriateness of important estimates and assumptions, such as valuation methods, growth rates, weighted average cost of capital ratios and economic and financial data, which form the basis for the fair values of the Group's financial investments. • Our internal valuation experts were included in the studies to check the compatibility of the estimates and assumptions used during the valuation with the market data. • To evaluate the cash flow estimations by comparing them with the financial performance results of the prior year, and to evaluate the retrospective accuracy of the estimations, a comparison of the results realized during the year with the initial estimations was made. • The sensitivity of the valuation result of the management to the changes that may occur in the basic assumptions has been analyzed. The adequacy of the explanations in the consolidated financial statements and disclosures has been evaluated within the scope of TFRS.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 10 March 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ömer Yüksel.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Yüksel, SMMM
Partner

İstanbul, 10 March 2025

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

ASSETS		Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
	Note		
Current Assets		65,110,361	53,401,735
Cash and Cash Equivalents	4	26,308,144	16,830,554
Financial Investments	5	5,443	6,107
Trade Receivables			
- Trade Receivables from Related Parties	7,33	14,521,162	9,721,304
- Trade Receivables from Third Parties	7	7,378,523	7,700,609
Other Receivables			
- Other Receivables from Related Parties	8,33	1,988,430	2,880,830
- Other Receivables from Third Parties	8	665,562	243,771
Derivative Instruments	9	435,622	855,776
Inventories	10	11,830,655	12,115,210
Prepaid Expenses			
- Prepaid Expenses to Third Parties	18	1,048,008	1,079,816
Current Income Tax Assets		124,606	219,320
Other Current Assets	20	804,206	1,748,438
Non-Current Assets		32,327,076	35,520,636
Financial Investments	5	4,906,454	5,789,065
Property, Plant and Equipment	11	23,257,108	23,496,675
Intangible Assets			
- Goodwill	12	2,205,944	2,697,488
- Other Intangible Assets	13	1,696,386	2,049,530
Prepaid Expenses	18	107,126	319,761
Deferred Tax Asset	31	154,058	1,168,117
TOTAL ASSETS		97,437,437	88,922,371

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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

		Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
LIABILITIES AND SHAREHOLDERS' EQUITY	Note		
Current Liabilities		28,444,403	22,302,898
Short-Term Borrowings	6	4,204,001	1,646,185
Short-Term Portion of Long-Term Financial Liabilities	6	11,070,420	6,237,833
Trade Payables			
- Trade Payables to Related Parties	7,33	3,111,205	3,306,457
- Trade Payables to Third Parties	7	7,157,284	7,716,946
Payables Related to Employee Benefits	19	523,810	411,390
Other Payables			
- Other Payables to Third Parties	8	8,810	7,693
Deferred Income	21	100,950	116,766
Current Income Tax Liabilities	31	266,268	725,141
Short-Term Provisions			
- Provisions for Employee Benefits	17	858,991	753,205
- Other Short-Term Provisions	15	593,595	777,587
Other Current Liabilities	20	549,069	603,695
Non-Current Liabilities		35,516,935	38,029,627
Long-Term Borrowings	6	32,734,945	36,242,814
Long-Term Provisions			
- Provisions for Employee Benefits	17	1,677,003	1,490,659
Deferred Tax Liability	31	1,104,987	296,154
SHAREHOLDERS' EQUITY	22	33,476,099	28,589,846
Equity Attributable to Equity Holders' of the Parent		31,282,767	25,946,933
Paid in Capital		369,276	369,276
Share Capital Adjustment Differences		8,810,815	8,810,815
Share Premium		4,815,119	4,815,119
Effect of Business Combinations Under Common Control		(4,347,660)	(23,768,300)
Accumulated Other Comprehensive Income or Expenses			
Not to be Reclassified to Profit or Loss			
- (Losses) on Reameasurement of Defined Benefit Plans		(1,177,773)	(836,623)
- Increases on Revaluation of Plant, Property and Equipment		3,419,109	2,932,277
- Gains From Financial Assets Measured at Fair Value Through			
Other Comprehensive Income		2,470,302	2,920,375
Accumulated Other Comprehensive Income or Expenses			
to be Reclassified to Profit or Loss			
- Foreign Currency Translation Differences		(1,762,058)	(505)
- Cash Flow Hedging (Losses)		(1,240,055)	(1,241,315)
Restricted Reserves Appropriated from Profit		2,206,096	2,206,096
Prior Years' Profit		10,319,078	24,861,335
Net Profit for the Period		7,400,518	4,878,383
Non-Controlling Interests		2,193,332	2,642,913
TOTAL LIABILITIES AND EQUITY		97,437,437	88,922,371

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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

		Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
	Note		
Revenue	23	84,097,908	80,615,534
Cost of Sales (-)	23	(59,031,548)	(57,260,016)
GROSS PROFIT		25,066,360	23,355,518
General Administrative Expenses (-)	24,25	(2,275,527)	(2,004,377)
Marketing Expenses (-)	24,25	(8,600,376)	(7,411,104)
Research and Development Expenses (-)	24,25	(415,128)	(344,639)
Other Operating Income	26	2,078,007	3,964,120
Other Operating Expenses (-)	26	(1,575,129)	(1,688,082)
OPERATING PROFIT		14,278,207	15,871,436
Income from Investment Activities	27	6,108,366	11,006,892
Expenses from Investment Activities (-)	27	(263,150)	(604,641)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		20,123,423	26,273,687
Financial Income	28	260,297	459,638
Financial Expenses (-)	29	(13,130,716)	(26,297,323)
Net Monetary Gains	30	3,712,173	6,461,171
PROFIT FROM OPERATIONS BEFORE TAX		10,965,177	6,897,173
Tax Expense		(2,949,071)	(800,398)
Current Tax Expense	31	(628,228)	(1,872,594)
Deferred Tax (Expense)/Income	31	(2,320,843)	1,072,196
PROFIT FOR THE PERIOD		8,016,106	6,096,775
Distribution of the Profit for the Period			
Non-Controlling Interest		615,588	1,218,392
Equity Holders of the Parent		7,400,518	4,878,383
Earnings Per Share	32	20.04	13.21

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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
PROFIT FOR THE PERIOD	8,016,106	6,096,775
OTHER COMPREHENSIVE INCOME		
Not to be Reclassified to Profit or Loss	(300,602)	154,973
(Losses) on Remeasurement of Defined Benefit Plans	(460,932)	(306,652)
Property, Plant and Equipment Revaluation Increases	201,441	2,747,863
(Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	(897,948)	(411,900)
Taxes on Other Comprehensive Income That will not be Reclassified to Profit or Loss		
Losses on Remeasurement of Defined Benefit Plans, Tax Effect	109,546	74,553
Property, Plant and Equipment Revaluation Increases, Tax Effect	299,416	(2,465,845)
(Losses) From Financial Assets Measured at Fair Value Through Other Comprehensive Income, Tax Effect	447,875	516,954
Items to be Reclassified to Profit or Loss	(2,464,480)	41,242
Foreign Currency Translation Differences	(2,465,741)	1,368,680
Gains/(Losses) on Cash Flow Hedges	1,681	(1,762,741)
Taxes on Other Comprehensive Income that will be Reclassified to Profit or Loss		
(Losses)/Gains on Cash Flow Hedges, Tax Effect	(420)	435,303
OTHER COMPREHENSIVE (LOSS)/INCOME	(2,765,082)	196,215
TOTAL COMPREHENSIVE INCOME	5,251,024	6,292,990
Distribution of Total Comprehensive Income		
Non-Controlling Interests	(84,810)	1,047,247
Equity Holders of the Parent	5,335,834	5,245,743

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

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CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

[illegible]

(*) On 31 August 2023, the Company merged with Ülker Çikolata Sanayi A.Ş., in which the Company holds 91.7% shares, and Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş., in which the Company holds 73.9% shares. The impact of this merger transaction is reflected in the "Transactions under common control" line of the statement of changes in equity

(**) Pladis Arabia Food Manufacturing Company, a subsidiary of the Group, paid dividend amounting to TL 759,509 thousand on 25 April 2024 with the decision of the Board of Directors. TL 364,771 thousand of the related amount is recognized under non-controlling interests (31 December 2023: TL 641,077 thousand, non-controlling interest: TL 288,485 thousand).

*** In accordance with the principle decision published by the POA, the merger effects of companies whose legal entities ended have been accounted for under the prior periods' profit.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

		Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		8,016,106	6,096,775
Adjustments to Reconcile Net Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of property, plant and equipment	11	1,808,041	1,695,678
Amortization expenses of intangible assets	13	12,585	13,923
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	7	26,156	23,812
(Increase) in value of financial investment	27	(1,011)	(8,091)
Provision for impairment of inventories	10	31,716	64,044
Adjustments Related to Provisions			
Adjustments Related to Provisions for			
Employee Benefits			
Provision for employment termination benefits	17	405,365	399,360
Unused vacation accrual	17	262,862	221,441
Performance premium accrual	17	604,219	611,046
Adjustments Related to Provisions (Reversal) for			
Lawsuits and/or Penalties	15	22,911	914
Adjustments Related to Other Provisions (Reversal) (net)		(200,073)	(50,488)
Adjustments Related to Interest (Income) and Expenses			
Interest (income)	27	(2,650,994)	(1,746,595)
Interest expenses	29	4,764,151	5,732,487
Adjustments Related to Tax Expenses	31	2,949,071	800,398
Adjustments Related to Losses/(Gains) on Disposals of			
Non-Current Assets			
Adjustments related to (gains) arising from sale of			
property, plant and equipment	27	(3,764)	(6,455)
Adjustments Related to Other Items That Cause Cash			
Flows Arising from Investment or Financing Activities			
Change in foreign currency from financial liabilities (net)	28,29	7,476,074	19,689,525
Change in foreign currency from investing activities (net)	27	(3,152,102)	(8,605,694)
Commission expenses and financial income (net)		630,194	415,672
Other Adjustments to Reconcile Profit/(Loss)			
Rent income	27	(37,345)	(35,416)
Adjustments related to monetary (gains)		(2,737,403)	(5,552,387)
Net cash before changes in assets and liabilities		18,226,759	19,759,949

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

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

		Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
	Note		
Changes in Working Capital			
(Increase) in trade receivables		(2,071,059)	(2,241,134)
(Increase) in receivables from related parties		(7,787,967)	(3,800,978)
(Increase) in inventories		(3,272,734)	(3,623,832)
(Increase) in other receivables and other assets		(505,234)	(966,880)
Increase in trade payables		1,587,823	2,266,179
Increase in payables to related parties		821,078	1,747,950
Increase in other payables and liabilities		586,911	437,468
Cash generated from activities		7,585,577	13,578,722
Payments Related to Provisions for Employee Benefits			
Employment termination benefit paid	17	(272,349)	(503,329)
Unused vacation paid	17	(171,552)	(153,964)
Performance premium paid	17	(361,235)	(350,263)
Taxes Paid		(992,386)	(1,957,819)
Cash generated from operating activities		5,788,055	10,613,347
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from sales of property, plant and equipment and intangible assets		11,512	130,556
Cash outflows from purchase of property, plant and equipment		(2,552,177)	(1,729,827)
Cash outflows from purchase of intangible assets	13	(8,647)	(5,080)
Changes in non-trade receivables from related parties		6,898	(1,155,785)
Interest received		2,650,994	1,746,595
Other cash advances given and payables		212,636	(134,562)
Cash inflows from the sale of shares or debt instruments of other businesses or funds		-	506,228
Cash (outflows) from the purchase of shares or debt instruments of other businesses or funds		(15,337)	(12,734)
Proceeds from rental income		37,345	35,416
Net cash generated from/(used in) investing activities		343,224	(619,193)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		27,721,943	1,687,145
Repayments of borrowings		(16,717,555)	(11,647,652)
Cash inflow from derivate instruments		-	1,004,264
Interest paid		(4,132,167)	(5,299,662)
Dividend paid		(364,771)	(288,485)
Commission paid		(630,194)	(415,672)
Net cash generated from/(used in) financing activities		5,877,256	(14,960,062)
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(5,173,332)	(8,654,969)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		2,642,387	8,434,448
NET CHANGE IN CASH AND CASH EQUIVALENTS		9,477,590	(5,186,429)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	16,830,554	22,016,983
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	26,308,144	16,830,554

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries (all together "the Group") comprise of the parent Ülker Bisküvi Sanayi A.Ş. ("the Group") and fourteen 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. went public by merging with Anadolu Gıda Sanayi A.Ş., which has been traded on Borsa Istanbul A.Ş. ("BİST") (Former Name: Istanbul Stock Exchange ("ISE") since 30 October 1996, under its own name 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 December 2024, the total number of people employed by the Group 10,254, which contain 2,556 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 Yatırımları A.Ş. Yıldız Uluslararası Gıda Yatırımları A.Ş., the ultimate parent of pladis Foods Limited is managed by Ülker Family. Yıldız Uluslararası Gıda Yatırımları A.Ş. is managed by the Ülker Family.

As of 31 December 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:

Title of Shareholders	31 December 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%	369,276	100%

As of 31 December 2024 and 31 December 2023, the details of the subsidiaries ("Subsidiaries") under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	31 December 2024		31 December 2023		Nature of Operation
	Ratio of Direct Ownership	Ratio of Effective Ownership	Ratio of Direct Ownership	Ratio of Effective Ownership	
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.00%	100.00%	100.00%	100.00%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100.00%	100.00%	100.00%	100.00%	Trading
UI Egypt B.V.	51.00%	51.00%	51.00%	51.00%	Investing
pladis Egypt for Food Industries S.A.E. (*)	-	51.40%	-	51.40%	Manufacturing-Sales
Sabourne Investments Ltd.	100.00%	100.00%	100.00%	100.00%	Investing
pladis Arabia Food Manufacturing Company (*)	-	55.00%	-	55.00%	Manufacturing-Sales
pladis Kazakhstan (*)	100.00%	100.00%	100.00%	100.00%	Manufacturing-Sales
Ulker Star LLC	-	99.00%	-	99.00%	Sales
UI Mena B.V.	100.00%	100.00%	100.00%	100.00%	Investing
pladis Gulf FZE	-	100.00%	-	100.00%	Sales
pladis Egypt for Trading and Marketing S.A.E. (*)	-	99.80%	-	99.80%	Sales
pladis Arabia International Manufacturing Company (*)	100.00%	100.00%	100.00%	100.00%	Manufacturing-Sales
Önem Gıda Sanayi ve Ticaret A.Ş. (**)	-	-	100.00%	100.00%	Manufacturing-Sales
Taygeta Gıda Üretim ve Pazarlama A.Ş. (***)	100.00%	100.00%	-	-	Trading-Consultancy
F.E pladis Confectionery LLC (****)	100.00%	100.00%	-	-	Sales

(*) On 30 April 2024, Hamle Company Ltd LLP changed its legal entity name to pladis Kazakhstan, as of 22 September 2024 International Biscuits Company changed its legal entity name to pladis Arabia International Manufacturing Company, as of 18 September 2024 Food Manufacturers Company changed its legal entity name to pladis Arabia Food Manufacturing Company, 26 May 2024 Hi Food for Advanced Food Industries changed its legal entity name to pladis Egypt for Food Industries S.A.E, as of 26 May 2024 Ülker Egypt for Trading and Marketing changed its legal entity name to pladis Egypt for Trading and Marketing S.A.E.

(**) On 29 August 2024, the company merged with Önem Gıda Sanayi ve Ticaret A.Ş., in which it holds a 100% stake.

(***) On 23 September 2024, Taygeta Gıda Üretim ve Pazarlama A.Ş. was established.

(****) On 22 November 2024 F.E. pladis Confectionery LLC was established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, 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 10 March 2025. The General Assembly has the authority to amend the consolidated financial statements.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation:

Principles for Preparation of Financial Statements and Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations. In addition, 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 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.

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 December 2023 in terms of the purchasing power of the currency as at 31 December 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 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.1 Basis of the Presentation (cont'd):

Financial Reporting in Hyperinflationary Economies (cont'd)

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2024, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

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 realizable values, the provisions of TAS 36 Impairment of Assets and TAS 2 Inventories are applied, respectively.
- 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 factors.
- All items in the statement of comprehensive income, 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 recognized in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the gains/(losses) on net monetary position in the consolidated income statement (Note 30).

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.

Inter-Group transactions, balances and unrealized loss and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.1 Basis of the Presentation (cont'd):

Basis of Consolidation (cont'd)

(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 TAS). 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</i>
	<i>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 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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

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

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 in the Board Decision dated 16 December 2024. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out overall 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 the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS. Other entities may voluntarily report in accordance with TSRS. The Company is within the scope of the application as it meets the criteria specified in the Board Decision. Companies within the scope are not required to submit comparative information in the first reporting period, and the first year's sustainability report can be published after the financial reports for that period. The Company's fully compliant TSRS report is required to be declared within nine months of 2025, and it is targeted to be published in August 2025.

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>
Amendments to TAS 21	<i>Lack of Exchangeability</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.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies

The basic accounting policies applied while preparing the consolidated financial statements are given below. These policies have been applied consistently for the years presented, unless stated otherwise:

Revenue

The Group's revenue mainly consists of sales of biscuits, chocolate coated biscuits, wafers, cakes and chocolate.

In accordance with TFRS 15 "Customer Contract Revenue Standard", the Group recognizes revenue in the financial statements in the five-step model below.

- Identification of contracts with customers,
- Identification of performance obligations in contracts,
- Determining the transaction price in contracts,
- Distribution of transaction fee to performance obligations,
- Revenue recognition.

In each contract with customers, the Group evaluates services committed and determines each commitment given for the transfer of relevant goods and services as another performance obligation. For each performance obligation, whether the performance obligation is performed as extended over time or in a particular time, is determined in the beginning of a contract. If the Group transfers the control of goods and services in time and accordingly fulfills its performance obligations as extended over time, the progress related to fulfillment of the relevant performance obligations is measured and recognized as extended over time. Revenue related to the performance obligations that are the transfers of goods and services by nature is recognized when the control of the goods and services is transferred to the customer. The goods or services are transferred when the control of the goods or services is delivered to the customers. Following indicators are considered while evaluating the transfer of control of the goods and services: a) Presence of the Group's collection right of the consideration for the goods or services, b) Customer's ownership of the legal title on goods or services, c) Physical transfer of the goods or services, d) Customer's ownership of significant risks and rewards related to the goods or services, e) Customer's acceptance of goods or services. If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized on an accrual basis as other operating income.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Revaluations are for a period of no longer than 5 years so as not to differ materially from the book value of the fair value to be determined at the reporting date. All other property, plant and equipment are shown at historical cost less accumulated depreciation. Cost includes the direct asset and attributable acquisition costs.

Properties in the course of construction for production, leases or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees. Borrowing costs are capitalized for assets that necessarily takes a substantial period of time to get ready for its intended use or sale. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment subject to financial leasing are depreciated over their useful lives, if the useful life is long, over the lease term, when the lease term is short.

Financial Leasing Transactions

Leases in which a significant portion of the risks and rewards of ownership belong to the lessee are classified as finance leases. Other leases are classified as operating leases.

Leases – The Group as lessor

Finance lease receivables are recorded up to the Group's net investment in the lease. Finance lease income is allocated to accounting periods to provide a constant periodic rate of return on the Group's finance lease net investment.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Financial lease assets are capitalized using the lower of the fair value of the asset at the lease date or the present value of the minimum lease payments. The liability to the lessor is shown in the balance sheet as a finance lease liability. Financial leasing payments are divided into finance expense and principal payment, which reduces the leasing obligation, thus providing a fixed rate of interest on the remaining principal balance of the debt. Financial expenses, except for the capitalized portion of finance expenses, are recorded in the profit or loss statement within the scope of the Group's general borrowing policy.

Leases – The Group as lessee

Payments made for operating leases that are not within the scope of TFRS 16 (incentives received or to be received from the lessor for the realization of the lease transaction are also recorded in the profit or loss statement using the straight-line method throughout the lease period) are recorded in the consolidated profit or loss statement over the lease period. The Group does not have any significant lease agreements to be evaluated within the scope of TFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

2.3 Summary of Significant Accounting Policies (cont'd)

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Business combinations are accounted in accordance with TFRS 3 "Business Combinations" except for the assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain. Non-controlling interest in the acquired business is recognized as the amount of the non-controlling interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the business at the time of acquisition.

Where the consideration transferred by the Group in a business combination includes contingent consideration, the contingent consideration is measured at fair value at the acquisition date and included in the consideration transferred in the business combination. If an adjustment to the fair value of the contingent consideration is required as a result of additional information revealed during the measurement period, this adjustment is adjusted retrospectively from the goodwill. The measurement period is the period after the acquisition date during which the acquirer can adjust the temporary amounts recognized in the business combination. This period cannot be more than 1 year from the date of purchase. Business combinations resulting from the transfer of shares of companies controlled by the stakeholder controlling the Group are accounted for as if they had occurred at the beginning of the earliest comparative period presented, if later, on the date of joint control. For this purpose, comparative periods are rearranged. The acquired assets and liabilities are recorded at the book value previously recorded in the consolidated financial statements of the stakeholders under the control of the Group. Equity items of the acquired companies are added to the same items in the Group's equity, except for the capital, and the resulting profit or loss is recognized in equity.

Partial share purchase - sale transactions with non-controlling shareholders

The Group considers the purchase and sale transactions of the shares of the partnerships that it currently controls with non-controlling shareholders as transactions between the equity holders of the Group. Accordingly, in additional share purchase transactions from non-controlling interests, the difference between the acquisition cost and the book value of the company's net assets in proportion to the purchased shares is accounted for in equity. In the sale of shares to noncontrolling shareholders, losses or gains resulting from the difference between the sales price and the book value of the company's net assets in proportion to the sold share are accounted for under a separate heading under equity.

Intangible Assets

Intangible assets acquired separately

Purchased intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful live. The expected useful life and amortization method are reviewed annually to determine the possible effects of changes in estimates and changes in estimates are accounted for prospectively.

Computer software

Purchased computer software is capitalized over the costs incurred during its purchase and during the period from purchase until it is ready for use. These costs are amortized over their useful lives (5 - 10 years).

Computer software development costs considered as fixed assets are amortized over their estimated useful lives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

2.3 Summary of Significant Accounting Policies (cont'd)

Intangible Assets (cont'd)

Intangible assets acquired through a business combination

Intangible assets acquired in a business combination are identified and accounted for separately from goodwill if they meet the definition of an intangible asset and their fair value can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or (cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing Costs

In the case of assets (qualified assets) that take significant time to get ready for use and sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale.

The amount of borrowing costs that can be capitalized for funds borrowed for the purpose of acquiring a qualifying asset in a period is the amount determined by deducting the income from temporary investments of these funds from the total borrowing costs incurred for these assets in the relevant period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Borrowing Costs (cont'd)

When the group borrows for a general purpose and some of these funds are used to finance a qualifying asset, the amount of borrowing costs that can be capitalized is determined with the help of a capitalization rate to be applied to the expenses related to the related asset. This capitalization rate is the weighted average of borrowing costs related to all borrowings of the Group during the relevant period, excluding borrowings for the purchase of qualifying assets. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recorded in the consolidated statement of profit or loss in the period in which they are included.

Financial Instruments

Financial Assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. The management performs the classification of financial assets at the acquisition date.

a) Financial assets carried at amortized cost

Financial assets that are not quoted in an active market and are not derivative instruments that have fixed or fixed payments, in which management has adopted the contractual cash flow collection business model and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as assets accounted for at amortized cost. If their maturities are shorter than 12 months from the balance sheet date, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables" and "cash and cash equivalents" items in the statement of financial position. In addition to these, trade receivables collected from factoring companies within the scope of revocable factoring transactions, which are included in trade receivables, are classified as assets accounted for at amortized cost, since the collection risk of these receivables is not transferred.

Impairment

Since the trade receivables accounted for at amortized cost in the consolidated financial statements do not contain a significant financing component, the Group chooses the simplified application for impairment calculations and uses the provision matrix. With this application, the Group measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. In the calculation of expected credit losses, the Group's forecasts for the future are also taken into account, together with the past experience of credit losses.

b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets at fair value through profit or loss include "financial investments and mutual funds at fair value through profit or loss" items in the statement of financial position.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include "equity investments and derivatives" items in the statement of financial position. Derivative instruments are accounted for as an asset if the fair value is positive and as a liability if the fair value is negative. The Group measures these assets at their fair value. Gains or losses on related financial assets, excluding impairment and foreign exchange gains or expenses, are recognized in other comprehensive income. In case the assets whose fair value difference is recorded in other comprehensive income are sold, the valuation difference classified into other comprehensive income is reclassified to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Financial Liabilities

c) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and remeasured at each reporting date at fair value at the balance sheet date. Changes in fair value are recognized in the statement of profit or loss. The net gain or loss recognized in the statement of profit or loss includes any interest paid on the financial liability.

Recognition and de-recognition of financial assets and liabilities

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

A financial asset (or part of a financial asset or group of similar financial assets) is derecognized where;

- the rights to receive cash flows from the asset have expired
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Financial borrowings

Financial liabilities are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of profit or loss over the period. Borrowing costs are charged to the statement of profit or loss when they are incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. The Group's financial borrowings consist of bank loans, issued debt instruments, loans from related parties and financial lease liabilities.

Trade receivables

Trade receivables resulting from the provision of a product or service to a buyer by the Group are shown net of deferred finance income. Short-term receivables with no specified interest rate are shown at original invoice value unless the effect of accruing interest is significant.

The Group allocates provision for doubtful receivables for the related trade receivables, if there is objective evidence that collection is not possible. Objective evidence is when the claim is pending or in preparation for litigation or enforcement, the buyer is in significant financial difficulty, the buyer is in default, or it is probable that a significant and unpredictable delay will occur. The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable. In addition, the Group uses the provision matrix by choosing the simplified application for impairment calculations, since trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component. With this application, the Group measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. In the calculation of expected credit losses, the Group's forecasts for the future are also taken into account, together with the past experience of credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Effects of Currency Change

In preparing the consolidated financial statements of the Group, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At balance sheet, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks,
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill, brand and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Dividend and Interest Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Earnings Per Share

Earnings per share disclosed in the consolidated statement of profit or loss are calculated by dividing net income by the weighted average number of shares outstanding during the period concerned.

Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that an entity would rationally pay to settle the obligation at the balance sheet date.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement could be recognized as an asset when, and only when, it is virtually certain that reimbursement will be received and can be estimated reliably.

Related Parties

Related party in the consolidated financial statements: Persons or businesses that are related to the Company.

(a) A person or a close member of that person's family is deemed to be related to the Company if that person:

- (i) has control or joint control of the Company,
- (ii) has significant influence over the Company,
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) A company is related to a reporting entity if any of the following conditions applies:

- (i) The Company members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One company is an associate or joint venture of the other company (or an associate or joint venture of a member of a group of which the other company is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The Company is a post-employment benefit plan for the benefit of employees of either the Company or a company related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with a related party: It is the transfer of resources, services or obligations between the Company and a related party, regardless of whether there is a price or not. The Company may enter into some business relations with related parties in the course of ordinary activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Government Grants and Incentives

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are recognized as income on a consistent basis throughout the relevant periods when they match the costs they would cover.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are recognized to the income statement on a straight- line basis over the expected lives of the related assets, or alternatively netted off with the cost of related asset.

Corporate Taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax rates which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Corporate Taxes (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items arising from the initial recognition of business combinations or that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. In business combinations, tax effects are considered when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

Employee Benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) Employee Benefits ("TAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Statement of Cash Flows

Cash flows during the period are classified and reported as operating, investing and financing activities in the statement of cash flows.

Cash flows from main activities represent the cash flows of Group companies arising from their operations related to their main activities.

Cash flows related to investing activities represent the cash flows that the Group uses and generates in its investment activities (fixed investments and financial investments).

Cash flows from financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Capital and Dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded by deducting from retained earnings in the period when the dividend decision is taken.

Equity Items

In the restatement of shareholders' equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders. In the restatement of shareholders' equity items added to share capital the capital increase registry dates or the payment dates are considered. The revaluation fund, which is included in the value increase funds, is the value increase on the net asset held by the Group before the sale transaction, at the date of the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.3 Summary of Significant Accounting Policies (cont'd)

Derivatives and Hedging Activities

Derivatives are recorded at fair value at the initial contract date and are measured at fair value at the end of each reporting period after initial recognition. Accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the hedged item. The Group designates certain derivatives as either:

- i. Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
- ii. Hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or,
- iii. Hedges of a net investment in a foreign operation (net investment hedges).

At the beginning of the hedging transaction, the Group documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy that gives rise to the various hedging transactions. The Group also documents its assessment that the derivatives it uses in the hedge are, and will continue to be, highly effective at offsetting changes in the fair value or cash flows of the hedged asset, both at the start of the hedge and subsequently.

The fair values of various derivative financial instruments used for hedge accounting purposes are disclosed in Note 9. Movements in the hedge fund under equity are shown in Note 34. The overall fair value of a derivative used for hedge accounting is classified as a non-current asset or a non-current liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or current liability if it is less than 12 months. Derivatives for trading purposes are classified as current assets or current liabilities.

The effective portion of the fair value changes of the derivatives that meet the cash flow hedge conditions and are defined in this way are recognized in other comprehensive income and collected in the funds under equity. The gain and loss of the ineffective portion is recognized directly in profit or loss in other income or other expenses.

Amounts accumulated under equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in profit or loss within "finance expenses".

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/loss on disposal.

Goodwill of the Group consists of the accounting of the business purchased from the parent as a business combination under common control, at the recorded values at the level of the parent, in the Group records (Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.4 Significant Accounting Judgement, Estimate and Assumptions

In the process of applying the entity's accounting policies, which are described in Note 2.3, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements.

Reacquired Rights

The Group accounted for reacquired rights at fair value within scope of the reacquisition of rights which were provided exclusivity before to third parties. Reacquired rights have indefinite useful life and are not subject to amortization. Reacquired rights are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Reacquired rights comprise from products distribution rights in Saudi Arabia. Discounted cash flow studies used to identify the fair value of repurchased rights, a discount rate of 10.1% and a final growth rate of 1.8% were used (2023: 9.9% discount rate and 1.6% final growth rate). A change in discount rate by 1% effects amount of goodwill by TL 558,591 thousand (2023: TL 171,301 thousand).

The brand of the Group is comprised of the business acquired from the related party as a business combination that is subject to joint control, and its accounting values in the Group's records, at the level of the related party (Note 13). 2.6% royalty rate and 2.6% final growth rate were used in the royalty free method to determining the fair value impairment test of brand. 1% change in the royalty rates used does not cause an impairment.

Deferred taxes

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 tax base amounts of some income and expense items and the fact that they take place in different periods in the financial statements prepared in accordance with TFRS. In addition, the Group has deferred tax assets resulting from tax loss carryforwards and deductible temporary differences, all of which could reduce taxable income in the future.

As of 31 December 2024, the Group has accounted for deferred tax asset amounting to TL 53,924 thousand in the consolidated financial statements based on the expansion and product diversification investment (2023: TL 53,924 thousand).

Based on available evidence, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future profit projection; cumulative losses in current year; carryforward losses and other tax assets expiring; and tax-planning strategies that would, if necessary, be implemented.

As of 31 December 2024, the Group has no deferred tax assets calculated over deductible tax losses. As of 31 December 2023, deferred tax asset amounting to TL 9,739,298 thousand, calculated over the carry forward tax losses amounting to TL 2,434,825 thousand, has been reflected in the consolidated financial statements.

Fair values of financial instruments

The fair values of financial instruments that do not have an active market as of 31 December 2024, was calculated by an independent management consultancy that is not affiliated with this Group, whose compliance with the valuation competency criteria determined by the CMB has been evaluated, using market data, using arm's-length similar transactions, taking the fair values of similar instruments as a reference, and discounted cash flow analysis. In the current period, discounted cash flow analysis has been made using a discount rate of 10.2% (2023: 10.2%) for G-New and 10.6% (2023: 10.9%) for Godiva Belgium and using Final growth rate of 2.2% (2023: 2.4%) for G-New, 2.2% (2023: 2.4%) for Godiva Belgium that are among the Group's financial investments. The 0.3% change in the discount rate used affects the fair value of G-New and Godiva Belgium by TL 245,814 thousand and TL 429,041 thousand, respectively. (2023: G-New: TL 140,157 thousand and Godiva Belgium: TL 262,956 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

2.4 Significant Accounting Judgement, Estimate and Assumptions (cont'd)

Goodwill

The Group acquired business from its ultimate shareholder as under common control and accounted its book values as accounted at ultimate shareholder level including goodwill (Note 12). Discounted cash flow used to identify goodwill is applied with 10.5% discount rate and 2.6% long term growth rate. 1% change in the rates used does not cause a decrease in goodwill.

Determination of Fair Values of Lands and Buildings

It is calculated by deducting accumulated depreciation from fair value using the Lands and Buildings revaluation method. The fair values of Lands and Buildings are determined from evidence available in the market, normally by valuation by professional value appraisers. They used the "peer comparison" method for Lands and Buildings. Lands are classified within level two of the fair value hierarchy. In determining the fair value of buildings, the cost approach reflecting the costs incurred by the market participant to construct similar assets and aging age is used. It is classified within the third level of the fair value hierarchy of buildings.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

ECL reflect the future loss that the management anticipates incurring from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economic conditions. Details on expected loss provisions are included in Note 7.

2.5 Summary of Financial Information Related to Subsidiaries

As of 31 December 2024 and 2023, the summarized financial information of the subsidiaries of the Group in which the Group has significant minority interest is as follows.

pladis Arabia Food Manufacturing Company

	2024	2023
Total assets	6,256,476	6,631,077
Total liabilities	2,749,834	2,468,610
Net assets	3,506,642	4,162,467
Accumulated funds on non-controlling interests	1,577,989	1,873,110
Revenue	8,451,490	8,382,678
Net profit for the year	858,287	794,020
Cash flow generated from operating activities	957,441	909,911
Cash flow used in investment activities	(94,033)	(146,320)
Cash flow used in financing activities	(809,531)	(524,850)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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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 consolidated 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, monitors its operations and capital expenditures as domestic (those conducted within Türkiye by companies located in Türkiye) and international operations in accordance with TFRS. Accordingly, the information for the periods 1 January - 30 December 2024 and 1 January - 30 December 2023 is presented below:

	Domestic	International	1 January- 31 December 2024
Revenue	58,621,182	25,476,726	84,097,908
Gross Profit	16,202,722	8,863,638	25,066,360
Operating Profit (*)	9,607,698	4,167,631	13,775,329
EBITDA (**)	10,799,323	4,796,632	15,595,955
EBITDA/Revenue	18.4%	18.8%	18.5%
Investment Expense	1,775,292	784,231	2,559,523
	Domestic	International	1 January- 31 December 2023
Revenue	54,974,492	25,641,042	80,615,534
Gross Profit	13,968,694	9,386,824	23,355,518
Operating Profit (*)	8,420,184	5,175,214	13,595,398
EBITDA (**)	9,532,734	5,772,265	15,304,999
EBITDA/Revenue	17.3%	22.5%	18.9%
Investment Expense	1,271,155	456,734	1,727,889

(*) Profit before other operating income/expense.

(**) EBITDA (Earnings before interest, tax, depreciation and amortization) is calculated by adding depreciation and amortization expenses to operating profit before other operating income and expenses. EBITDA isn't a performance measure by TFRS, and may not be comparable with other companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

4. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	581	1,050
Demand bank deposits	712,983	3,170,286
Time bank deposits	25,668,918	13,712,384
Provision for impairment	(74,338)	(53,166)
	26,308,144	16,830,554

Detail of time deposits are as follows:

Currency Type	Interest Rate	Maturity	31 December 2024
TL	48.35%	January 2025	4,587,455
USD	4.09%	January 2025	15,901,283
EUR	1.89%	January 2025	2,581,682
EGP	19.43%	January 2025	173,191
SAR	5.65%	January 2025	2,373,875
KZT	11.00%	January 2025	51,432
			25,668,918

Currency Type	Interest Rate	Maturity	31 December 2023
TL	40.77%	January 2024	2,392,999
USD	4.21%	January 2024	8,726,384
EUR	2.69%	January 2024	1,848,183
EGP	15.21%	January 2024	274,262
SAR	5.83%	January 2024	435,114
KZT	11.00%	January 2024	35,442
			13,712,384

5. FINANCIAL INVESTMENTS

Short-Term Financial Investments:

Financial assets measured at fair value through profit/loss

31 December 2024	31 December 2023
5,443	6,107
5,443	6,107

Long-Term Financial Investments:

Financial assets measured at fair value through other comprehensive income (*)

31 December 2024	31 December 2023
4,906,454	5,789,065
4,906,454	5,789,065

Financial Assets at Fair Value Through Other Comprehensive Income

	31 December 2024	31 December 2023
G New, Inc	1,449,953	1,678,664
Godiva Belgium BVBA	3,196,335	3,811,780
Other	260,166	298,621
	4,906,454	5,789,065

(*) Investments based on non-controlling interests where the Group does not have significant influence are classified as financial assets at fair value through other comprehensive income. After tax difference of TL 2,470,302 thousand attributable to the parent company as of 31 December 2024 has been accounted within equity (31 December 2023: TL 2,920,375 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

6. FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Short-term borrowings	4,204,001	1,646,185
Short-term portion of long-term financial liabilities	11,070,420	6,237,833
Long-term borrowings	32,734,945	36,242,814
	48,009,366	44,126,832
<u>Other Short-Term Liabilities</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Letters of credit	4,204,001	1,646,185
	4,204,001	1,646,185
<u>Short-Term Portion of Long-Term Liabilities</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Bank loans	1,627,967	4,398,073
Issued debt instruments (*)	9,441,057	1,838,000
Financial lease liabilities	1,396	1,760
	11,070,420	6,237,833
<u>Long-Term Liabilities</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Bank loans	14,232,300	13,265,760
Issued debt instruments (*)	18,502,645	22,975,038
Financial lease liabilities	-	2,016
	32,734,945	36,242,814

(*) On 8 July 2024, the Group issued bonds on the Irish Stock Exchange (Euronext Dublin) with a nominal value of USD 550,000,000 with a 7-year maturity, coupon payments in every 6 months, an annual fixed interest rate of 7.88% with both principal and coupon payments at maturity. Additionally, the Group repurchased bonds with a total nominal value of USD 351,709,000 from the USD 600,000,000 bonds issued in 2020, maturing on 30 October 2025, and completed the settlement process on 10 July 2024.

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 sustainability related loan complies with the terms of bank loan agreements.

The Group obtained a loan of EUR 75 million with a 2 year maturity from International Finance Corporation (IFC) on 25 April 2024. The loan will be used to finance sustainability investments and working capital needs aimed at growth.

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 3:1.

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.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

6. FINANCIAL LIABILITIES (cont'd)

Borrowings:

31 December 2024

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted</u>	<u>Short-Term</u>	<u>Long-Term</u>
		<u>Average Interest Rate</u>		
TL	January 2025-October 2025	28.00%	1,396	-
USD	April 2025-July 2031	8.42%	9,575,615	19,617,661
EUR	April 2025-April 2026	10.53%	5,457,334	13,064,981
KZT	January 2025-January 2026	10.34%	240,076	52,303
			<u>15,274,421</u>	<u>32,734,945</u>

31 December 2023

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted</u>	<u>Short-Term</u>	<u>Long-Term</u>
		<u>Average Interest Rate</u>		
TL	January 2024-October 2025	28.00%	1,760	2,016
USD	April 2024-April 2026	8.48%	2,018,321	24,314,165
EUR	April 2024-April 2026	11.54%	5,393,138	11,557,522
EGP	February 2024-December 2024	10.92%	87,828	-
KZT	January 2024-January 2026	11.01%	382,971	369,111
			<u>7,884,018</u>	<u>36,242,814</u>

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

	<u>31 December 2024</u>	<u>31 December 2023</u>
To be paid within 1 year	11,069,024	6,236,073
To be paid within 1-2 years	15,646,501	24,648,613
To be paid within 2-3 years	1,276,478	11,592,185
To be paid within 3-4 years	1,179,829	-
To be paid within 4-5 years	1,090,493	-
More than 5 years	13,541,644	-
	<u>43,803,969</u>	<u>42,476,871</u>

Short-Term Portion of Long-Term

Financial Lease Liabilities

	<u>31 December 2024</u>	<u>31 December 2023</u>
Financial lease liabilities	1,676	3,132
Costs of deferred lease liabilities (-)	(280)	(1,372)
	<u>1,396</u>	<u>1,760</u>

Long-Term Financial Lease Liabilities

	<u>31 December 2024</u>	<u>31 December 2023</u>
Financial lease liabilities	-	2,420
Costs of deferred lease liabilities (-)	-	(404)
	<u>-</u>	<u>2,016</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

6. FINANCIAL LIABILITIES (cont'd)

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

	31 December 2024	31 December 2023
To be paid within 1 year	1,396	1,760
To be paid within 1-2 years	-	2,016
	1,396	3,776

The movement table of loan for the periods 31 December 2024 and 2023 is as follows:

	2024	2023
Opening balance - 1 January	44,126,832	56,502,036
Additions	27,720,642	1,687,145
Principal payments	(16,717,555)	(11,661,964)
Foreign exchange differences	7,297,684	21,428,150
Interest accrual differences	51,016	432,824
Inflation effect	(14,453,248)	(24,628,073)
Foreign currency translation differences	(16,005)	366,714
Closing balance - 31 December	48,009,366	44,126,832

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables from Related Parties	31 December 2024	31 December 2023
Trade receivables from related parties (Note 33)	14,521,162	9,721,304
	14,521,162	9,721,304
Other Trade Receivables	31 December 2024	31 December 2023
Trade receivables	7,473,798	7,788,567
Provision for expected loss	(95,275)	(87,958)
	7,378,523	7,700,609
Total Short-Term Trade Receivables	21,899,685	17,421,913

The movement table of the expected credit losses for the periods 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	(87,958)	(78,328)
Charge for the period	(32,823)	(23,839)
Cancelled provision amount	6,667	27
Inflation effect	25,156	29,488
Foreign currency translation differences	(6,317)	(15,306)
Closing balance	(95,275)	(87,958)
Short-Term Trade Payables	31 December 2024	31 December 2023
Trade payables to related parties (Note 33)	3,111,205	3,306,457
Trade payables	7,157,284	7,716,946
	10,268,489	11,023,403

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables	31 December 2024	31 December 2023
Non-trade receivables from related parties (Note 33)	1,988,430	2,880,830
Short-term other receivables	665,562	243,771
	2,653,992	3,124,601

Other Short-Term Receivables	31 December 2024	31 December 2023
VAT Receivables	564,062	191,127
Insurance claims receivables	43,337	-
Deposits and guarantees given	39,294	32,962
Receivables from personnel	11,481	11,350
Other	7,388	8,332
	665,562	243,771

Other Payables	31 December 2024	31 December 2023
Other short-term payables	8,810	7,693
	8,810	7,693

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. The Group has also entered into Cross Currency Fixed Interest Rate Swap transactions on 6 August 2024 and 26 August 2024 with a total amount of USD 150,000,000 in order to hedge against foreign currency risk in parallel with the payment schedule of USD 550,000,000 bonds issued on 8 July 2024 with a maturity of 7 years, coupon payments every 6 months, principal and coupon payments at maturity and fixed annual interest rate of 7.88%. These transactions are recognized as cash flow hedges in the accompanying consolidated financial statements.

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

	31 December 2024		31 December 2023	
	Contract Amount	Fair Value Asset/(Liability)	Contract Amount	Fair Value Asset/(Liability)
For hedging purposes				
Cross Currency Fixed Rate Swaps	10,802,475	887,178	11,304,721	842,979
For trading purposes				
Forward Transactions	3,102,593	(451,556)	2,798,923	12,797
Total Asset/(Liability)	13,905,068	435,622	14,103,644	855,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

10. INVENTORIES

Details of inventory are as follows:

	31 December 2024	31 December 2023
Raw materials	6,661,265	7,495,711
Work in progress	583,901	399,798
Finished goods	3,980,382	3,427,817
Trade goods	244,975	447,731
Other inventories	518,761	534,024
Allowance for impairment on inventory (-)	(158,629)	(189,871)
	11,830,655	12,115,210

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

The movement of allowance for impairment on inventory for the periods ended on 31 December 2024 and 2023 are below;

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	(189,871)	(154,744)
Charge for the period	(31,716)	(64,044)
Write-offs	30,325	1,601
Foreign currency translation differences	32,633	27,316
Closing balance	(158,629)	(189,871)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

11. PROPERTY, PLANT AND EQUIPMENT

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

Cost	1 January 2024	Additions	Disposal	Transfer	Valuation Increase	Foreign Currency Translation Differences	31 December 2024
Land	8,036,641	-	-	-	116,137	(80,983)	8,071,795
Buildings	12,362,538	240,111	-	849,911	1,134,160	(391,418)	14,195,302
Machinery, plant and equipment	27,528,635	252,995	(38,099)	812,140	-	(1,313,228)	27,242,443
Vehicles	86,978	4,109	(1,130)	-	-	(8,653)	81,304
Furniture and fixture	1,255,764	73,997	(9,342)	122,955	-	(80,874)	1,362,500
Leasehold improvements	508,357	18,978	(2,145)	480	-	(213)	525,457
Other property, plant and equipment	644	617	(644)	-	-	32	649
Construction in progress	793,047	1,960,069	-	(1,786,871)	-	(45,575)	920,670
	50,572,604	2,550,876	(51,360)	(1,385)	1,250,297	(1,920,912)	52,400,120

Accumulated depreciation	1 January 2024	Charge for the Period	Disposal	Transfer	Valuation Increase	Foreign Currency Translation Differences	31 December 2024
Buildings	(7,928,136)	(557,311)	-	(4,230)	(1,048,856)	162,337	(9,376,196)
Machinery, plant and equipment	(17,727,200)	(1,120,012)	33,807	4,230	-	517,184	(18,291,991)
Vehicles	(70,418)	(4,736)	1,130	-	-	6,012	(68,012)
Furniture and fixture	(918,190)	(97,045)	6,285	-	-	60,456	(948,494)
Leasehold improvements	(431,532)	(28,923)	1,923	-	-	213	(458,319)
Other property, plant and equipment	(453)	(14)	467	-	-	-	-
	(27,075,929)	(1,808,041)	43,612	-	(1,048,856)	746,202	(29,143,012)
Net Value	23,496,675						23,257,108

From depreciation and amortization expenses of property, plant and equipment and intangible assets, TL 1,749,860 thousand (31 December 2023: TL 1,637,172 thousand) is included in cost of goods sold, TL 6,836 thousand (31 December 2023: TL 5,766 thousand) in research and development expenses, TL 20,540 thousand (31 December 2023: TL 30,176 thousand) in marketing and selling expenses, TL 43,390 thousand (31 December 2023: TL 36,487 thousand) in general administrative expenses. In the twelve-month period ending as of 31 December 2024, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets as of 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

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

Cost	1 January 2023	Additions	Disposal	Transfer	Valuation Increase	Foreign Currency Translation Differences	31 December 2023
Land	6,625,692	-	-	-	1,457,078	(46,129)	8,036,641
Buildings	7,938,771	21,153	(80,137)	39,022	4,602,560	(158,831)	12,362,538
Machinery, plant and equipment	26,763,014	280,492	(87,312)	900,994	-	(328,553)	27,528,635
Vehicles	88,621	4,568	(4,090)	-	-	(2,121)	86,978
Furniture and fixture	1,196,275	84,843	(6,247)	8,923	-	(28,030)	1,255,764
Leasehold improvements	507,203	4,240	-	1,491	-	(4,577)	508,357
Other property, plant and equipment	534	56,085	(55,975)	-	-	-	644
Construction in progress	536,452	1,271,428	(4,138)	(950,430)	-	(60,265)	793,047
	43,656,562	1,722,809	(237,899)	-	6,059,638	(628,506)	50,572,604

Accumulated depreciation	1 January 2023	Charge for the Period	Disposal	Transfer	Valuation Increase	Foreign Currency Translation Differences	31 December 2023
Buildings	(4,534,563)	(195,765)	71,836	(8,559)	(3,311,775)	50,690	(7,928,136)
Machinery, plant and equipment	(16,570,048)	(1,373,076)	32,742	8,556	-	174,626	(17,727,200)
Vehicles	(77,539)	(5,182)	4,090	4,718	-	3,495	(70,418)
Furniture and fixture	(840,427)	(95,626)	5,131	(4,715)	-	17,447	(918,190)
Leasehold improvements	(405,582)	(26,008)	-	-	-	58	(431,532)
Other property, plant and equipment	(432)	(21)	-	-	-	-	(453)
	(22,428,591)	(1,695,678)	113,799	-	(3,311,775)	246,316	(27,075,929)
Net Value	21,227,971						23,496,675

In the twelve-month period ending as of 31 December 2023, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets as of 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

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

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

The Group has chosen the revaluation model from the application methods in 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” techniques on 14 February 2024. The revaluation was performed by Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş. that authorized by Capital Markets Board. Properties were accounted on 31 December 2024 financial statements based on their fair values. The frequency of revaluations depends on the changes in the fair values of the properties. If there is significant change in the fair value, revaluation is performed. If not, properties are only subject to periodical revaluation.

12. GOODWILL

	31 December 2024	31 December 2023
Opening balance	2,697,488	2,669,708
Foreign currency translation difference	(491,544)	27,780
Closing balance	2,205,944	2,697,488

The distribution of goodwill is as follows:

Company	31 December 2024	31 December 2023
UI Mena B.V.	2,121,950	2,594,778
pladis Arabia International Manufacturing Company	83,994	102,710
	2,205,944	2,697,488

UI Mena B.V.

Yıldız Holding A.Ş. acquired pladis (UK) Limited 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.

pladis Arabia International Manufacturing Company

Yıldız Holding A.Ş. acquired pladis Arabia International Manufacturing Company as of 3 November 2014. The goodwill carried in the financial statements of Yıldız Holding in relation to pladis Arabia International Manufacturing Company has been transferred to the consolidated financial statements of Ülker Bisküvi by restating the prior periods' consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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13. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2024 - 31 December 2024 are as follows:

Cost	1 January 2024	Addition	Transfer	Foreign currency translation differences	31 December 2024
Rights (*)	2,133,374	3,353	569	(375,645)	1,761,651
Other	87,147	5,294	816	(6,167)	87,090
	2,220,521	8,647	1,385	(381,812)	1,848,741

Accumulated amortization	1 January 2024	Addition	Transfer	Foreign currency translation differences	31 December 2024
Rights	(93,699)	(7,589)	-	25,662	(75,626)
Other	(77,292)	(4,996)	-	5,559	(76,729)
	(170,991)	(12,585)	-	31,221	(152,355)
Net Book Value	2,049,530				1,696,386

Movements of intangible assets between 1 January 2023 - 31 December 2023 are as follow:

Cost	1 January 2023	Addition	Transfer	Foreign currency translation differences	31 December 2023
Rights (*)	2,218,199	1,964	-	(86,789)	2,133,374
Other	85,973	3,116	-	(1,942)	87,147
	2,304,172	5,080	-	(88,731)	2,220,521

Accumulated amortization	1 January 2023	Addition	Transfer	Foreign currency translation differences	31 December 2023
Rights	(95,003)	(7,848)	-	9,152	(93,699)
Other	(72,211)	(6,075)	-	994	(77,292)
	(167,214)	(13,923)	-	10,146	(170,991)
Net Book Value	2,136,958				2,049,530

(*) As of 31 December 2024, rights contain reacquired rights related with Saudi distribution agreements of Groups products in Saudi Arabia amounting to TL 1,403,733 thousand (31 December 2023: TL 1,691,090 thousand), the remaining amount of TL 265,244 thousand (31 December 2023: TL 324,347 thousand) contains the rights of Rana brand. Reacquired rights are not subject to depreciation and has indefinite useful life. Impairment test is applied every year or more frequently when there is any indicator that impairment may occur. As of 31 December 2024, there is no impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

13. INTANGIBLE ASSETS (cont'd)

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

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

14. GOVERNMENT GRANTS AND INCENTIVES

Export transactions and other foreign exchange earning activities carried out in line with the procedures and principles determined by the Ministry of Finance and the Undersecretariat of Foreign Trade are exempt from stamp duty and fees. According to the decision of the Money Credit and Coordination Board, dated 16 December 2004 and numbered 2004/11, which was prepared on the basis of the Export-Oriented State Aid Decision, state aid is paid to support the participation in foreign fairs.

The Group benefits from energy and employment incentives within the framework of the law" Law No. 5084 on Promoting Investments and Employment and Amending Some Laws) published in the Official Gazette dated 6 February 2004 and numbered 25365, which aims to increase investments and employment by applying tax and insurance premium incentives, providing energy support and providing free land and land for investments.

Ülker Bisküvi Sanayi A.Ş. has five investment incentive certificates dated 11 January 2010, 20 June 2011, 14 October 2012, 8 December 2015 and 19 June 2020 for a total investment of TL 543,601 thousand for the incentive and product diversification investments in the Karaman plant. With these certificates, tax deductions amounting to TL 158,552 thousand (2023: TL 158,552 thousand) have been utilized so far and deferred tax assets have been recorded in the financial statements for the remaining TL 53,924 thousand (2023: TL 53,924 thousand) (Note 31).

The Group received government incentives and grants amounting to TL 298,925 thousand in 2024 (2023: TL 303,608 thousand). TL 47,936 thousand of the amount related to 2024 is related to employment incentive, TL 228,820 thousand is related to R&D incentive and reductions, TL 6,320 thousand is related to investment incentive and TL 15,849 thousand is related to other incentives. (2023: TL 287,917 thousand is related to employment incentive, TL 15,343 thousand is related to R&D incentive and TL 349 thousand is related to other incentives.).

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-Term Debt Provisions	31 December 2024	31 December 2023
Provision for marketing expense	279,151	421,053
Provisions for lawsuits	29,286	13,205
Other	285,158	343,329
	593,595	777,587

The movement table for litigation provisions for the years ended 31 December 2024 and 2023 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	13,205	20,552
Charge for the period	23,169	1,195
Provision released	(258)	(281)
Inflation effect	(6,830)	(8,261)
	29,286	13,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Guarantees Given

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

	31 December 2024			31 December 2023		
	TL	USD	EUR	TL	USD	EUR
A) CPM's given in the name of own legal personality (*)	198,441	25,354	337	287,978	25,354	337
B) CPM's given on behalf of the fully consolidated companies	-	-	7,664	-	-	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 CPM's given on behalf of the majority shareholder	-	-	-	-	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
Total	-	-	-	-	-	-
	198,441	25,354	8,001	287,978	25,354	100,337

(*) 43.8 million Turkish Liras and 5.8 million USD of the balance are related to non-cash risks.

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.

Lease Agreements

The Group's lease agreements are made to cover one-year periods. All leases carry a statement regarding the revision of the conditions according to the market conditions, in case the lessee uses the right to renew. The lessee has no right to purchase the leased asset at the end of the lease term. The Group's rental income from lease agreements made for its property, plant and equipment and investment properties, as well as from its suppliers and customers, as the use of common areas is amounting to TL 40,357 thousand (2023: TL 52,007 thousand). Direct operating expenses associated with fixed assets during the period amounted to TL 50,552 thousand (2023: TL 53,053 thousand). Within the framework of the non-cancellable lease, minimum rent to be obtained in future is TL 58,799 thousand (2023: TL 56,995 thousand). Within the framework of the non-cancellable lease, minimum rent to be obtained in future is TL 155,971 thousand (2023: TL 76,929 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

16. COMMITMENTS AND OBLIGATIONS

As of 31 December 2024, the Group has an export commitment of USD 637,652 thousand (2023: USD 511,605 thousand). The average duration of export commitments are 2 years. If the export commitments are not fulfilled, the Group loses the tax advantage. The Group has fulfilled USD 594,498 thousand of its commitments for the year 2024 and is expected to realize its commitments extending to 2025 (2023: USD 501,479 thousand).

17. PROVISIONS FOR EMPLOYEE BENEFITS

Short-Term Provisions for Employee Benefits	31 December 2024	31 December 2023
Unused vacation accruals	294,061	278,091
Performance premium accrual	564,930	475,114
	858,991	753,205

The movement table of unused vacation accruals for the years ending 31 December 2024 and 2023 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	278,091	275,320
Decreases during the period	(171,552)	(153,964)
Increases during the period	262,862	221,441
Inflation effect	(96,517)	(121,674)
Foreign currency translation differences	21,177	56,968
Closing balance	294,061	278,091

The movement table of performance premium accrual for the years ending 31 December 2024 and 2023 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	475,114	340,867
Decreases during the period	(361,235)	(350,263)
Increases during the period	604,219	611,046
Inflation effect	(175,413)	(185,954)
Foreign currency translation differences	22,245	59,418
Closing balance	564,930	475,114

Long-Term Provisions for Employee Benefits	31 December 2024	31 December 2023
Provision for employment termination benefits	1,677,003	1,490,659
	1,677,003	1,490,659

Pursuant to the provisions of the current Labor Law, employees whose employment contracts are terminated to qualify for severance pay are obliged to pay the legal severance pay they are entitled to. In addition, in accordance with the provision of Article 60 of the Social Security Law No. 506, which is still in effect, as amended by the Laws No. 2422 of 6 March 1981 and the Laws No. 4447 of 25 August 1999, those who receive the severance pay and have the right to leave the job are obliged to pay the legal severance pay. Some transitional provisions related to pre-retirement service conditions were removed from the Law with the amendment of the relevant law on 23 May 2002. Severance pay to be paid as of 31 December 2024 is subject to a monthly ceiling of TL 41,828.42 (2023: TL 23,489.83). The subsidiaries of the Group calculate their severance pay provisions in accordance with the laws of the country in which they are located.

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 ("Employee Benefits") stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

17. PROVISIONS FOR EMPLOYEE BENEFITS (cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. Consequently, in the accompanying financial statements as of 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 3.57% real discount rate (2023: 3.67%) calculated by using 22.77% (2023: 20.95%) annual inflation rate and 27.15% (2023: 25.39%) interest rate. In the current period, pursuant to the Law No. 4447, the probability of employees who were insured before 8 September 1999 and who completed 15 years and 3600 premium days, has been taken into account in the liability calculation as 100%, since they have the right to receive severance pay even if they quit the job voluntarily. The severance pay ceiling is revised semi-annually, and the amount of TL 46,655.43 (1 January 2024: TL 35,058.58) effective from 1 January 2025 has been taken into account in the calculation of the severance pay provision of the Group. As of the end of 2024, the probability of employees leaving the Company is 0.01% (2023: 0.5%).

Movement of provision for employment termination benefits is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	1,490,659	1,816,984
Service cost	187,319	221,861
Interest cost	218,046	177,499
Actuarial loss	460,932	306,652
Employment termination benefits paid in the current period	(272,349)	(503,329)
Inflation effect	(474,272)	(693,549)
Foreign currency translation differences	66,668	164,541
Closing balance	1,677,003	1,490,659

18. PREPAID EXPENSES

	31 December 2024	31 December 2023
Prepaid Expenses		
Order Advances Given	817,072	937,672
Prepaid Expenses	230,936	142,144
	1,048,008	1,079,816
Short-Term Prepaid Expenses		
Prepaid Expenses to Third Parties	1,048,008	1,079,816
	1,048,008	1,079,816
Long-Term Prepaid Expenses		
Advances Given	106,856	319,371
Prepaid Expenses	270	390
	107,126	319,761

19. PAYABLES RELATED TO EMPLOYEE BENEFITS

	31 December 2024	31 December 2023
Payables to Personnel	333,819	258,263
Social Security Deductions Payable	189,991	153,127
	523,810	411,390

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024**

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

20. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2024	31 December 2023
Deferred VAT	766,384	1,723,177
Other	37,822	25,261
	804,206	1,748,438
Other Current Liabilities	31 December 2024	31 December 2023
Taxes and funds payable	423,549	464,773
Other liabilities	125,520	138,922
	549,069	603,695

21. DEFERRED INCOME

Deferred Income	31 December 2024	31 December 2023
Order Advances Received	60,878	63,187
Deferred Income	40,072	53,579
	100,950	116,766

22. SHAREHOLDERS' EQUITY**a) Capital Structure**

The composition of the Company's issued and paid-in share capital as of 31 December 2024 and 2023 is as follows.

Shareholders	31 December 2024		31 December 2023	
	Amount	Share	Amount	Share
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%

According to the provisions of the Capital Market Law, the registered capital ceiling of the Company is TL 500,000 thousand as of 31 December 2024, and it is divided into 50,000,000,000 (fifty billion) shares, each with a nominal value of 1 (one) kr. The issued capital of the company is TL 369,276 thousand fully paid. There is no privilege or group distinction between the shares.

b) Valuation Funds

Financial Asset Valuation Fund:

Financial Asset Revaluation Fund arises as a result of valuation of available-for-sale financial assets at their fair values. In case of disposal of a financial instrument that is valued at fair value, the portion of the revaluation fund associated with the sold financial asset is transferred to retained earnings.

As of 31 December 2024, the Group's financial asset valuation fund after tax is TL 2,470,302 thousand (2023: TL 2,920,375 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

22. SHAREHOLDERS' EQUITY (cont'd)

b) Valuation Funds (cont'd)

Land and Buildings Revaluation Fund:

The increase in the book value of land and buildings as a result of revaluation is recognized in other comprehensive income after tax and collected in funds under equity. However, it is recognized as income to the extent that the revaluation reverses the impairment. Decreases are recognized in other comprehensive income to the extent of any credit balance in the revaluation surplus relating to this asset; all other decreases are recorded in profit or loss.

As of 31 December 2024, the Group's revaluation of tangible assets arising from the revaluation of land is TL 3,419,109 thousand after tax (31 December 2023: TL 2,932,277 thousand).

c) Restricted Reserves

Restricted reserves appropriated from profit are composed of legal reserves. Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, legal reserves can be only used to offset losses unless they exceed the 50% of paid-in capital. Other than that, legal reserves must not be used whatsoever.

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from the first-time application of inflation adjustments on financial statements and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital", "Premium on capital stock", "Capital" issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue, cash profit distribution or loss deduction.

However, in accordance with the CMB's Decree Volume: XI; No: 29 issued on 1 January 2008 and other related CMB's announcements, "Paid-in capital", "Restricted reserves" and "Premium in excess of par" should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Decree should be associated with:

- "Capital restatement differences" account, following the "Paid-in capital" line item in the financial statements, if such differences are arising from "Paid-in Capital" and not added to capital.
- The difference arising from "Restricted reserves" and "Share Premium" and not yet subject to profit distribution or capital increase should be recognized under "Retained earnings". Other equity items are recognized in accordance with CMB Financial Reporting Standards.

Capital adjustment differences have no use other than being added to capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

22. SHAREHOLDERS' EQUITY (cont'd)

c) Restricted Reserves (cont'd)

Profit Distribution:

Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below: In accordance with the Capital Markets Board's (the "Board") Decree issued on 23 January 2014, in relation to the profit distribution of earnings derived from 2013 operations, minimum profit distribution is not required for listed companies, and accordingly, profit distribution should be made based on the requirements set out in the Board's Communiqué Serial:II, No: 19.1 "Principles of Dividend Advance Distribution of Companies That Are Subject To The CMB Regulations", terms of articles of corporations and profit distribution policies publicly disclosed by the companies.

Differences arising in the evaluations made within the framework of TFRS and arising from inflation adjustments that are not subject to profit distribution or capital increase as of the report date have been associated with previous years' profit/loss.

d) Retained Earnings

Details of retained earnings are as follows:

	31 December 2024	31 December 2023
Prior years' profit	13,861,702	27,841,401
Extraordinary reserves	1,344,204	1,940,745
Inflation restatement differences of shareholders' equity accounts other than capital and legal reserves	(529,431)	(628,565)
Share Issued Premiums	(4,815,119)	(4,815,119)
Other reserves	457,722	522,873
	10,319,078	24,861,335

e) Non-Controlling Interest/Non-Controlling Interest Profit or Loss

As of 31 December 2024, non-controlling interests amounted to TL 2,193,332 thousand (2023: TL 2,642,913 thousand). The profit of minority interests amounting to TL 615,588 thousand, which occurred between 1 January - 31 December 2024, is presented separately from the net profit for the period in the consolidated financial statements (2023: TL 1,218,392 thousand).

f) Additional Information for Capital, Legal Reserves and Other Equity Items

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2024 and the restated amounts in the financial statements prepared in accordance with TPL are as follows:

31 December 2024	Inflation adjusted amounts in the financial statements prepared in accordance with statutory accounting	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/TFRS	Differences recognized in retained earnings
Share Capital Adjustment Differences	9,708,318	8,810,815	897,503
Share Issued Premium	6,179,635	4,815,119	1,364,516
Restricted Reserves Appropriated from Profit	5,496,624	2,206,096	3,290,528

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

23. REVENUE AND COST OF SALES

a) Sales

The detail of operating income is as follows :

	1 January- 31 December 2024	1 January- 31 December 2023
Domestic sales (*)	76,189,509	92,193,212
Export sales	15,607,316	15,975,816
Sales returns and discounts (-)	(7,698,917)	(27,553,494)
Revenue	84,097,908	80,615,534
Cost of goods sold	(57,795,296)	(55,855,010)
Cost of trade goods sold	(1,236,252)	(1,405,006)
Cost of Sales	(59,031,548)	(57,260,016)
Gross Profit	25,066,360	23,355,518

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

b) Cost of Sales

	1 January- 31 December 2024	1 January - 31 December 2023
Raw material expenses	(45,097,055)	(47,193,564)
Personnel expenses	(7,399,561)	(5,061,237)
General production expenses	(4,407,845)	(3,885,119)
Depreciation and amortization expenses	(1,749,860)	(1,637,172)
Change in work-in-progress inventories	193,520	178,508
Change in finished goods inventories	665,505	1,743,574
Cost of goods sold	(57,795,296)	(55,855,010)
Cost of trade goods sold	(1,236,252)	(1,405,006)
Cost of sales	(59,031,548)	(57,260,016)

24. RESEARCH EXPENSES, MARKETING EXPENSES, AND GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
General Administrative Expenses	(2,275,527)	(2,004,377)
Marketing Expenses	(8,600,376)	(7,411,104)
Research and Development Expenses	(415,128)	(344,639)
	(11,291,031)	(9,760,120)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

25. EXPENSES BY NATURE

The detail of operating expenses is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
General Administrative Expenses		
Personnel expenses	(817,136)	(698,950)
Operating expenses	(891,392)	(809,412)
Consultancy expense	(136,695)	(156,510)
Depreciation and amortization expenses	(43,390)	(36,487)
Other	(386,914)	(303,018)
	(2,275,527)	(2,004,377)
Marketing Expenses		
Marketing operating expenses	(6,811,750)	(5,709,878)
Personnel expenses	(1,199,910)	(1,133,268)
Rent expenses	(147,912)	(229,778)
Depreciation and amortization expenses	(20,540)	(30,176)
Other	(420,264)	(308,004)
	(8,600,376)	(7,411,104)
Research and Development Expenses		
Personnel expenses	(216,315)	(174,677)
Operating and material expenses	(117,052)	(96,956)
Depreciation and amortization expenses	(6,836)	(5,766)
Other	(74,925)	(67,240)
	(415,128)	(344,639)

26. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities are as follows;

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange gains	1,876,186	3,680,700
Provisions released	17,885	117
Other income	183,936	283,303
	2,078,007	3,964,120

The details of other expenses from operating activities are as follows;

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange losses	(1,225,340)	(1,226,914)
Provision expenses	(146,779)	(121,163)
Donation expenses	(93,687)	(90,012)
Other expenses	(109,323)	(249,993)
	(1,575,129)	(1,688,082)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

27. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

The detail of investment income is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange gains	3,410,704	9,208,322
Interest income	2,650,994	1,746,595
Rent income	37,345	35,416
Income on sales of property, plant and equipment	8,312	8,468
Fair value gains of financial assets	1,011	8,091
	6,108,366	11,006,892

The detail of investment expenses is as follow:

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange losses	(258,602)	(602,628)
Property, plant and equipment sales losses	(4,548)	(2,013)
	(263,150)	(604,641)

28. FINANCIAL INCOME

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange gains	255,170	453,414
Other	5,127	6,224
	260,297	459,638

29. FINANCIAL EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange losses	(7,731,244)	(20,142,939)
Interest expenses	(4,764,151)	(5,732,487)
Other	(635,321)	(421,897)
	(13,130,716)	(26,297,323)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

30. NET MONETARY POSITION GAINS/(LOSSES)

The details of the Company's net monetary position gains/(losses) in accordance with TAS 29 as of 31 December 2024 are as follows.

Non-Monetary Items	31 December 2024
Financial statements items	(80,955)
Inventories	(198,368)
Prepaid expenses	65,586
Financial investments and subsidiaries	2,118,816
Property, plant and equipment	1,124,991
Intangible assets	3,249
Deferred tax assets/liabilities	(136,238)
Paid-in capital	(2,038,143)
Share issued premium	1,480,059
Other accumulated comprehensive income and expenses not to be classified to profit or loss	2,907,872
Other accumulated comprehensive income and expenses to be classified to profit or loss	380,898
Restricted reserves appropriated from profit	271,956
Prior years' profit	(6,061,633)
Statement of profit or loss items	3,793,128
Revenue	(8,427,070)
Cost of sales	9,190,322
Research and development expenses	40,566
Marketing expenses	654,943
General administrative expenses	166,701
Other income/expenses from operating activities	(62,560)
Income/expenses from investing activities	(495,512)
Finance income/expenses	1,686,397
Tax expense	1,039,341
Net monetary position gains	3,712,173

31. 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.

The corporate tax rate in Türkiye is 25% as of 31 December 2024 (31 December 2023: 25%). The corporate tax rate is applied to the net corporate income obtained by adding expenses that are not deductible according to the tax laws to the trade income of the corporations and deducting the exemptions and discounts included in the tax laws.

The tax rates used in the calculation of the Group's deferred tax assets and liabilities are 25% in Türkiye (2023: 25%), 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%), 15% for its subsidiary located in Uzbekistan, zero for its subsidiary located in the United Arab Emirates (2023: zero).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

31. TAX ASSET AND LIABILITIES (cont'd)

Timing differences that form the basis for deferred tax:

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Amortization differences of property, plant and equipment and intangible assets	-	-	10,370,189	12,381,555
Financial investments valuation differences	(1,976,208)	(2,740,226)	-	-
Inventories	-	-	69,332	213,497
Provision for severance pay	(1,264,813)	(1,282,930)	-	-
Provision for expected credit losses	(95,275)	(106,686)	-	-
Prior year's losses	-	(9,739,298)	-	-
Provision for lawsuits	(29,286)	(12,603)	-	-
Derivative instruments	-	-	435,622	853,216
Provision for accumulated unused vacation	(139,126)	(119,163)	-	-
Other	(678,551)	(1,939,036)	522,250	346,788
	(4,183,259)	(15,939,942)	11,397,368	13,795,056

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

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Amortization differences of property, plant and equipment and intangible assets	-	-	2,275,150	2,573,765
Financial investments valuation differences	(976,785)	(445,251)	-	-
Inventories	-	-	17,333	53,376
Provision for severance pay	(316,203)	(320,732)	-	-
Provision for expected credit losses	(23,819)	(26,671)	-	-
Prior year's losses	-	(2,434,825)	-	-
Provision for lawsuits	(7,321)	(3,150)	-	-
Derivative instruments	-	-	108,905	213,304
Provision for accumulated unused vacation	(34,782)	(29,791)	-	-
Other	(222,111)	(538,685)	130,562	86,697
	(1,581,021)	(3,799,105)	2,531,950	2,927,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

31. TAX ASSET AND LIABILITIES (cont'd)

Movement of Deferred Tax Liabilities:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	(871,963)	(909,338)
Netted tax from funds reflected in equity	(856,417)	1,439,035
Foreign currency translation differences	358,466	(329,464)
Deferred tax expense/(income)	2,320,843	(1,072,196)
Closing balance	950,929	(871,963)

The Group does not have any deferred tax assets calculated on its deductible financial losses as of 31 December 2024 (31 December 2023: TL 9,739,298 thousand).

The maturities of these financial losses are as follows:

	31 December 2024	31 December 2023
2026	-	1,083,512
2027	-	5,348,566
2028	-	3,307,220
	-	9,739,298

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 nondeductible expenses from the tax base in the determination of the commercial profit and deducting the tax-exempt earnings, nontaxable incomes and other deductions (previous year losses, if any, and investment discounts used if preferred). The tax rate applied on 31 December 2024 is 25% (2023: 25%).

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: 25%).

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 Office 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

31. TAX ASSET AND LIABILITIES (cont'd)

The corporate tax in Egypt, where Hi Food for Advanced Food Industries and Ülker for Trading and Marketing, subsidiaries of the Group is 22.5% (2023: 22.5%). The corporate tax in Saudi Arabia, where the Group's subsidiaries pladis Arabia Food Manufacturing Company and pladis Arabia International Manufacturing Company operate, is 20% (2023: 20%). The corporate tax rate in Kazakhstan, where pladis Kazakhstan, one of the Group's subsidiaries, operates, is 20% (2023: 20%). The corporate tax rate in Kyrgyzstan, where Ülker Star LLC, a subsidiary of the Group, is 10% (2023: 10%). The corporate tax rate in Uzbekistan, where pladis Confectionery, one of the Group's subsidiaries, operates, is 15%. In United Arab Emirates, where pladis Gulf FZE, a subsidiary of the Group, is exempt from corporate tax earnings (2023: Exempt).

On 2 August 2024, the Government of Türkiye, where the parent company was established, enacted the Second Pillar income tax legislation, effective from 1 January 2024. According to the legislation, the parent company will be required to pay additional tax on the profits of its subsidiaries taxed at an effective tax rate below 15% in Türkiye. The Group has no additional tax liability in accordance with the relevant legislation.

The Domestic Minimum Corporate Tax Law No. 7524, published in the Official Gazette dated 2 August 2024, entered into force as of 1 January 2025. The relevant law has no effect on current tax expense and deferred tax income/expense.

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 December 2024 and 31 December 2023, the tax provisions are as follows:

	31 December 2024	31 December 2023
Total tax provision	(628,228)	(1,872,594)
Prepaid taxes and legal liabilities from profit for the period	361,960	1,147,453
Taxation in the balance sheet	(266,268)	(725,141)
	1 January- 31 December 2024	1 January- 31 December 2023
Current year corporate tax expense	628,228	1,872,594
Deferred tax income	2,320,843	(1,072,196)
Tax expense in the income statements	2,949,071	800,398
	1 January- 31 December 2024	1 January- 31 December 2023
Reconciliation of taxation:		
Profit before taxation and non-controlling interest	10.965.177	6,897,173
Effective tax rate	25%	25%
Calculated tax	2.741.294	1,724,293
Reconciliation of the tax provision calculated with the reserved:		
- Non-deductible expenses	254,188	882,801
- Dividend and Other non-taxable income	(195,001)	(174,161)
- Investment incentive	-	(67,341)
- Revaluation of assets for tax purposes	(499,213)	(1,424,280)
- Effect of change in statutory tax rate on deferred tax	-	(483,935)
- The effect of different tax rates of shareholders	(158,852)	(177,272)
- Inflation Effect	872,586	977,109
- Other	(65,931)	(456,816)
Taxation in the income statements	2,949,071	800,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

32. EARNINGS PER SHARE

The weighted average of company shares and profit per unit share calculations for the periods of 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 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	7,400,518	4,878,383
Earnings per Share (TL 1 worth of shares)	20.04	13.21

33. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	31 December 2024	31 December 2023
Trade receivables	14,521,162	9,721,304
Non-trade receivables	1,988,430	2,880,830
	16,509,592	12,602,134

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

	31 December 2024		31 December 2023	
	Trade	Non-trade	Trade	Non-trade
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	8,041,472	-	4,640,324	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	4,653,047	-	3,281,455	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	841,550	-	707,251	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	511,094	-	530,243	-
Yıldız Holding A.Ş.	-	1,988,430	-	2,880,830
Other	473,999	-	562,031	-
	14,521,162	1,988,430	9,721,304	2,880,830

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. those make the sale and distribution of products throughout Türkiye.

The detail of payables to related parties is as follows:

	31 December 2024	31 December 2023
Trade payables	3,111,205	3,306,457
	3,111,205	3,306,457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

33. RELATED PARTY DISCLOSURES (cont'd)

The detail of trade payables is as follows:

	31 December 2024	31 December 2023
	Trade	Trade
Yıldız Holding A.Ş.	1,558,807	1,250,290
Marsa Yağ San. ve Tic. A.Ş.	514,152	117,292
Adapazarı Şeker Fabrikası A.Ş.	425,189	804,863
pladis (UK) Limited.	388,310	299,302
Kerevitaş Gıda San. ve Tic. A.Ş.	34,141	681,010
Other	190,606	153,700
	3,111,205	3,306,457

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

	1 January- 31 December 2024	1 January- 31 December 2023
	Purchases	Sales
Marsa Yağ San. ve Tic. A.Ş.	3,550,543	2,156
Adapazarı Şeker Fabrikası A.Ş.	917,289	-
pladis (UK) Limited.	705,035	64,185
Kerevitaş Gıda San. ve Tic. A.Ş.	421,719	6,983
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	24,623	2,250,709
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	26,207,895
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	24,035,126
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	2,580,194
İzsal Gayrimenkul Geliştirme A.Ş.	161,364	-
Other	226,152	1,029,406
	6,006,725	56,176,654
	56,176,654	9,784,972
	53,122,713	53,122,713

The Group mainly acquires raw materials from Marsa Yağ San. ve Tic. A.Ş. and Kerevitaş Gıda San. ve Tic. A.Ş., which produces vegetable oil and margarine, and acquires from Adapazarı Şeker Fabrikası A.Ş. which produces sugar. A major part of the Group's sales is 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

33. RELATED PARTY DISCLOSURES (cont'd)

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

For the year ended 31 December 2024:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Yıldız Holding A.Ş.	(305)	(2,441,890)	(125,636)
pladis Foods Limited	-	(978,368)	3,913
İzsal Gayrimenkul Geliştirme A.Ş.	(8,134)	(203,264)	81
pladis (UK) Limited.	-	(188,269)	(42,783)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(53,111)	323,095
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	182	(19,317)	613,318
Other	166	(185,119)	(36,282)
	(8,091)	(4,069,338)	735,706

For the year ended 31 December 2023:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Yıldız Holding A.Ş.	(449)	(2,057,679)	1,367,478
pladis Foods Limited	-	(959,004)	(24,813)
İzsal Gayrimenkul Geliştirme A.Ş.	(8,321)	(180,184)	(1,163)
pladis (UK) Limited.	-	(160,623)	(4,991)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(269,480)	138,961
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	186	(304,244)	57,529
Other	(449)	(132,504)	481
	(9,033)	(4,063,718)	1,533,482

Benefits provided to members of Board of Directors and key management personnel:

	31 December 2024	31 December 2023
Salaries and other short-term benefits	428,719	363,645
	428,719	363,645

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34. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Additional Information on Financial Instruments

Capital risk management

While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profitability by using the debt and equity balance in the most efficient way.

The Group's capital structure includes borrowings disclosed in footnote 6 and payables to related parties including non-trade receivables and payables disclosed in Note 33, cash and cash equivalents disclosed in Note 4, short-term financial investments disclosed in Note 5 and derivative instruments disclosed in Note 9 and equity items shown in the consolidated statement of financial position.

The risks associated with each capital class, together with the Group's cost of capital, are evaluated by senior management. Based on senior management assessments, it is aimed to keep the capital structure in balance through the acquisition of new debt or repayment of existing debt, as well as through dividend payments.

The Group monitors its capital using the debt/total capital ratio. This ratio is found by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents, non-trade receivables from related parties and derivative financial assets from total liabilities (including financial liabilities and liabilities, non-trade payables to related parties and derivative financial liabilities as presented in the balance sheet). Total capital is calculated as equity plus net debt as shown in the balance sheet.

As of 31 December 2024 and 2023, the net liability/total capital ratio is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Total financial liabilities and non-trade related parties payables/(receivables) (net)	46,020,936	41,246,002
Less: Cash and cash equivalents	(26,308,144)	(16,830,554)
Less: Derivatives instruments	(435,622)	(855,776)
Net debt	19,277,170	23,559,672
Shareholders' equity	33,476,099	28,589,846
Total capital	52,753,269	52,149,518
Net Debt/Total Capital Ratio	37%	45%

Financial Risk Factors

The Group's activities are exposed to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management program generally focuses on minimizing the potential adverse effects of uncertainty in financial markets on the Group's financial performance.

Risk management is carried out by a central finance department in line with policies approved by the Board of Directors. With regard to risk policies, financial risk is defined and evaluated by the Group's finance department and tools are used to reduce risk by working with the Group's operating units. A written general legislation regarding risk management and written procedures covering various risk types such as exchange rate risk, interest risk, credit risk, use of derivative products and other non-derivative financial instruments and how to evaluate excess liquidity are established by the Board of Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

Credit risk management

Credit risk of financial instruments	Receivables					
	Trade Receivables			Other Receivables		
31 December 2024	Related Party	Third Party	Third Party	Related Party	Third Party	Derivative instruments
Maximum net credit risk as of balance sheet date (*)	14,521,162	7,378,523	-	1,988,430	665,562	435,622
- The part of maximum risk under guarantee with collateral etc. (**)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	14,521,162	7,329,003	-	1,988,430	665,562	435,622
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	49,520	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	95,275	-	-	35,512	-
- Impairment (-)	-	(95,275)	-	-	(35,512)	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	74,338	-
- Impairment (-)	-	-	-	-	(74,338)	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Items that increase the credit reliability, such as; letter of guarantees received, are not taken into account in the calculation.

(**) Guarantees include letter of guarantees, guarantee notes and mortgages.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

Credit risk management (cont'd)

Credit risk of financial instruments	Receivables					Derivative instruments
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party	Deposit in Bank	
31 December 2023	9,721,304	7,700,609	2,880,830	243,771	16,829,504	855,776
Maximum net credit risk as of balance sheet date (*)	-	-	-	-	-	-
- The part of maximum risk under guarantee with collateral etc. (**)	9,704,543	7,700,609	2,880,830	243,771	16,829,504	855,776
A. Net book value of financial assets that are neither past due nor impaired	-	-	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	16,761	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	87,958	-	-	-	-
- Impairment (-)	-	(87,958)	-	(41,378)	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	53,166	-
- Impairment (-)	-	-	-	-	(53,166)	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Items that increase the credit reliability, such as; letter of guarantees received, are not taken into account in the calculation.

(**) Guarantees include letter of guarantees, guarantee notes and mortgages.

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

Credit risk management (cont'd)

Aging of overdue receivables as of 31 December 2024 and 31 December 2023 are as follows.

31 December 2024

	Trade Receivables
Overdue between 1-30 days	-
Overdue between 1-3 months	49,520
Overdue between 3-12 months	-
Overdue between 1-5 years	-
Overdue more than 5 years	-
Total overdue receivables	49,520
<i>The portion of under guarantee with collateral etc.</i>	-

31 December 2023

	Trade Receivables
Overdue between 1-30 days	-
Overdue between 1-3 months	16,761
Overdue between 3-12 months	-
Overdue between 1-5 years	-
Overdue more than 5 years	-
Total overdue receivables	16,761
<i>The portion of under guarantee with collateral etc.</i>	-

Liquidity risk management

Prudent liquidity risk management means keeping sufficient cash, availability of sufficient credit transactions and fund resources, and the power to close market positions. The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

Liquidity risk tables

The table below shows the cash outflows that the Group will pay for its on-balance sheet financial liabilities as of 31 December 2024 and 31 December 2023, according to their remaining maturities.

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

Liquidity risk tables (cont'd)

	Carrying Value	Total cash outflow according to contract (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
31 December 2024					
Non-derivative financial liabilities					
Bank borrowing	15,860,267	18,411,293	65,581	1,653,680	16,692,032
Letter of credit borrowings	4,204,001	4,204,003	-	4,204,003	-
Issued debt instruments	27,943,702	38,598,851	764,039	9,262,179	28,572,633
Financial lease liabilities	1,396	1,676	539	1,137	-
Trade payables	10,268,489	10,268,489	10,235,381	33,108	-
Other payables	8,810	8,810	8,810	-	-
Total liabilities	58,286,665	71,493,122	11,074,350	15,154,107	45,264,665
Derivative instruments (net)	435,622	3,667,787	733,975	(1,320,597)	4,254,409
Derivative cash inflows	943,289	26,582,711	5,612,817	1,385,759	19,584,135
Derivative cash outflows	(507,667)	(22,914,924)	(4,878,842)	(2,706,356)	(15,329,726)
31 December 2023					
Non-derivative financial liabilities					
Bank borrowing	17,663,833	21,603,814	189,355	4,321,908	17,092,551
Letter of credit borrowings	1,646,185	1,646,185	642,948	1,003,237	-
Issued debt instruments	24,813,038	28,361,119	-	1,920,051	26,441,068
Financial lease liabilities	3,776	5,535	695	2,336	2,504
Trade payables	11,023,403	11,023,403	11,005,939	17,464	-
Other payables	7,693	7,693	7,693	-	-
Total liabilities	55,157,928	62,647,749	11,846,630	7,264,996	43,536,123
Derivative instruments (net)	855,776	4,394,330	24,696	(1,150,333)	5,519,967
Derivative cash inflows	878,730	34,277,099	1,306,463	4,168,463	28,802,173
Derivative cash outflows	(22,954)	(29,882,769)	(1,281,767)	(5,318,796)	(23,282,206)

The expected maturities are same as the maturities per contracts.

Market risk management

Due to its activities, the Group is exposed to financial risks related to changes in foreign exchange rates and interest rates.

Market risks encountered at the group level are measured on the basis of sensitivity analysis.

In the current year, there has been no change in the market risk the Group is exposed to or the method of handling the risks encountered or the method used to measure these risks compared to the previous year.

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 mainly exposed to USD, EUR, GBP, and CHF currency risks.

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

Foreign currency risk management (cont'd)

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 December 2024				
	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	4,868,168	93,345	40,961	1,576	13
2a. Monetary Financial Assets	25,405,972	587,325	127,289	173	31
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	1,490,401	291	39,908	31	326
4. CURRENT ASSETS	31,764,541	680,961	208,158	1,780	370
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	31,764,541	680,961	208,158	1,780	370
10. Trade Payables	2,126,967	44,434	10,592	3,394	518
11. Financial Liabilities	15,032,949	271,415	148,555	-	-
12a. Other Monetary Financial Liabilities	7,567	26	181	-	-
12b. Other Non-monetary Financial Liabilities	9,786	167	106	-	-
13. CURRENT LIABILITIES	17,177,269	316,042	159,434	3,394	518
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	32,682,642	556,052	355,643	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	32,682,642	556,052	355,643	-	-
18. TOTAL LIABILITIES	49,859,911	872,094	515,077	3,394	518
19. Net asset/liability position of off-balance sheet derivatives (19a-19b)	13,905,068	150,000	234,456	-	-
19a. Amount of off-balance sheet foreign currency derivative assets	13,905,068	150,000	234,456	-	-
19b. Amount of off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset / liability position (9-18+19)	(4,190,302)	(41,133)	(72,463)	(1,614)	(148)
21. Monetary items net foreign currency asset / liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(19,575,985)	(191,257)	(346,721)	(1,645)	(474)
22. Total fair value of financial instruments used to hedge the foreign currency position	435,622	(5,736)	17,367	-	-

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

Foreign currency risk management (cont'd)

	31 December 2023				
	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	5,170,881	73,450	40,688	2,507	-
2a. Monetary Financial Assets	19,308,100	340,487	102,508	259	32
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	347,486	5,055	2,763	33	18
4. CURRENT ASSETS	24,826,467	418,992	145,959	2,799	50
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	24,826,467	418,992	145,959	2,799	50
10. Trade Payables	1,780,517	25,201	12,545	2,070	149
11. Financial Liabilities	7,411,459	47,487	114,675	-	-
12a. Other Monetary Financial Liabilities	5,879	-	125	-	-
12b. Other Non-monetary Financial Liabilities	8,500	179	19	-	-
13. CURRENT LIABILITIES	9,206,355	72,867	127,364	2,070	149
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	35,871,687	572,063	245,750	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	35,871,687	572,063	245,750	-	-
18. TOTAL LIABILITIES	45,078,042	644,930	373,114	2,070	149
19. Net asset/liability position of off-balance sheet derivatives (19a-19b)	14,103,644	124,000	186,100	1,500	-
19a. Amount of off-balance sheet foreign currency derivative assets	14,103,644	124,000	186,100	1,500	-
19b. Amount of off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/liability position (9-18+19)	(6,147,931)	(101,938)	(41,055)	2,229	(99)
21. Monetary items net foreign currency asset/liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(20,590,561)	(230,814)	(229,899)	696	(117)
22. Total fair value of financial instruments used to hedge the foreign currency position	855,766	923	17,329	29	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

Foreign currency risk management (cont'd)

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

	1 January- 31 December 2024	1 January- 31 December 2023
Total exports	15,607,316	15,975,816
Total imports	16,695,537	10,505,829

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 December 2024		31 December 2023	
	Profit/Loss		Profit/Loss	
	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	(674,759)	674,759	(981,018)	981,018
2- Part of hedged from US Dollar risk (-)	529,205	(529,205)	527,032	(527,032)
3- US Dollar net effect (1+2)	(145,554)	145,554	(453,986)	453,986
In case of 10% appreciation of EUR against TL				
4 - Euro net asset/liability	(1,273,721)	1,273,721	(1,081,205)	1,081,205
5 - Part of hedged from Euro risk (-)	861,302	(861,302)	875,224	(875,224)
6- Euro net effect (4+5)	(412,419)	412,419	(205,981)	205,981
Total (3+6)	(557,973)	557,973	(659,967)	659,967

Interest risk management

The Group's borrowing at fixed and floating interest rates exposes the Group to interest rate risk. This risk is managed by the Group by making an appropriate distribution between fixed and floating rate debts through interest rate swap agreements. Hedging strategies are evaluated regularly to ensure that they are consistent with the interest rate expectation and defined risk. Thus, it is aimed to establish an optimal hedging strategy, to review the position of the balance sheet and to keep interest expenditures under control at different interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

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

Interest rate sensitivity

The sensitivity analyzes below are determined according to the interest rate risk exposed at the reporting date and the anticipated interest rate change at the beginning of the financial year and are kept constant throughout the reporting period. The Group management expects a 1% fluctuation in the Euribor/Libor interest rate, which is the interest on floating rate bank debt. The said amount is also used in the reporting made to the senior management within the Group.

If there is a 1% change in the Euribor/libor interest rate and all other variables are kept constant, the Group's net profit for the accounting period will decrease by TL 21,084 thousand (net profit for the period 31 December 2023 will decrease by TL 40,292 thousand).

The financial instruments that are sensitive to interest rate are as follows:

Fixed Rate Instruments		31 December 2024	31 December 2023
Financial Assets	Cash and cash equivalents	25,668,918	13,712,384
	Non-trade receivables from related parties	1,988,430	2,880,830
	Other Receivables	665,562	243,771
Financial Liabilities	Borrowings	32,147,703	26,459,223
	Financial Lease Liabilities	1,396	3,776
	Other Payables	8,810	7,693
Floating Interest Rate Financial Instruments			
Financial Liabilities	Borrowings	15,860,267	17,663,833

Other price risk

The Group's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates. Price risk is closely monitored by the Group through the review of market information and appropriate valuation methods. There has been no change in the market risk that the Group is exposed to in the current year, or in the management and measurement methods of the risks it is exposed to, compared to the previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

35. 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 December 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				
- Available for sale	5,443	5,443	-	-
Financial assets at fair value through comprehensive income statement				
- Shares	4,906,454	-	-	4,906,454
- Derivative instruments	435,622	-	435,622	-
Total	5,347,519	5,443	435,622	4,906,454

	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				
- Available for sale	6,107	6,107	-	-
Financial assets at fair value through comprehensive income statement				
- Shares	5,789,065	-	-	5,789,065
- Derivative instruments	855,776	-	855,776	-
Total	6,650,948	6,107	855,776	5,789,065

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

The carrying value of the Eurobonds (Note 6) with a total nominal value of USD 550,000,000 and USD 225,222,000 and fixed interest rates issued by the Company to be traded on Dublin Euronext is TL 436,159 thousand below their fair value based on prices quoted in active markets (Level 1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts on tables expressed in thousand TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2024, unless otherwise stated.)

36. FEES FOR SERVICES OBTAINED FROM INDEPENDENT AUDIT FIRM

Fees for Services Received from Independent Auditors/Independent Auditing Firms

The Group's explanation regarding the fees for services provided by independent auditing firms, prepared in accordance with the Board Decision published in the Official Gazette on 30 March 2021 and based on the POA letter dated 19 August 2021 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Independent audit fee for the reporting period	13,835	12,401
Fee for other assurance services	835	36
Total	14,670	12,437

The fees above have been determined by including the independent audit and other related service fees of all subsidiaries, and the foreign currency fees of foreign subsidiaries have been converted into TL using the average exchange rates of the relevant years.

37. EVENTS AFTER THE REPORTING PERIOD

As of January 2025, the Group's shares in the foreign subsidiaries of Sabourne Investments Ltd., pladis Kazakhstan, UI Mena B.V., pladis Arabia International Manufacturing Company, UI Egypt B.V., and its financial investments in Godiva Belgium BVBA have been transferred to Taygeta Gıda Üretim ve Pazarlama A.Ş., a 100% subsidiary of the Group. This transfer was executed through a partial demerger to manage the Group's international investments within a more effective and focused structure, while maintaining operational integrity.



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