

MERGER REPORT

At the Board of Directors meeting of ÜLKER BİSKÜVİ SANAYİ ANONİM ŞİRKETİ (hereinafter referred to as the "Transferee Company - ÜLKER BİSKÜVİ") dated 25/04/2023 and numbered 2023/05; ÜLKER ÇİKOLATA SANAYİ A.Ş., **one of its domestic subsidiaries operating in the same sector (manufacturing)**, and **BİSKOT BİSKÜVİ GIDA SANAYİ VE TİCARET A.Ş.** In order to increase corporate governance, efficiency and effectiveness, and to reduce costs by continuing the activities in a more focused structure within the public company by taking over the entire company; **BISKOT BISCUIT FOOD INDUSTRY AND TRADE CO. INC.** (hereinafter referred to as the "Transferred Company - BİSKOT") dated 25/04/2023 and numbered 2023/04 and **numbered ÜLKER ÇİKOLATA SANAYİ A.Ş.** (hereinafter referred to as the "Transferred Company - ÜLKER CHOCOLATE") with the Board of Directors Decisions dated 25/04/2023 and numbered 2023/03; Within the scope of the provisions of the Capital Markets Law No. 6362 ("CML"), the Capital Markets Board's ("CMB") Communiqué on Mergers and Demergers No. II-23.2 ("Communiqué") and other relevant regulations, Articles 134 et seq. of the Turkish Commercial Code No. 6102 ("TCC") and Articles 19 and 20 of the Corporate Tax Law No. 5520 and other relevant legislation; To merge the Companies Parties to the Merger within the Transferee Company, subject to the approval of the general assemblies of the Companies Parties to the Merger, subject to the approval of the general assemblies of the Companies Parties to the Merger, **by taking over all active and passive assets of the Transferred Companies BİSKOT and ÜLKER ÇİKOLATA by ÜLKER BİSKÜVİ** in one ash, and the Merger Report was prepared based on the said decision.

The Transferee Company will transfer all the assets and liabilities of the Transferee Companies it has taken over in ashes to its balance sheet on the date of registration of the General Assembly resolutions regarding the approval of the merger, and the Transferee Companies will be dissolved without liquidation.

This Merger Report is prepared in accordance with Article 147 of the Turkish Commercial Code. It has been prepared in accordance with the provisions of the **Capital Markets Board's** ("CMB") Communiqué on Mergers and Demergers numbered II-23.2.

ÜLKER CHOCOLATE and BİSKOT will be referred to as "Transferred Companies". The Transferee Company and the Transferee Companies will be collectively referred to as **the "Companies Parties to the Merger"**.

ARTICLE 1 - INTRODUCTORY GENERAL INFORMATION

I- Companies Parties to the Merger

a. Transferee Company - ÜLKER BİSKÜVİ

Trade Name	Ülker Bisküvi Sanayi A.Ş.
Establishment Date	10.03.1975
Time	Permanent
Trade Registry Directorate	Istanbul

Registration Number	41603
Mersis	0906002203900023
Legal Status	Corporation
Time	Permanent

Field of Activity	Manufacture of all foodstuffs and especially; Manufacturing, purchase, sale, import and export of all kinds of bakery and sugary, cocoa, hazelnut products and semi-finished products such as biscuits, chocolate, wafers, chocolate coated biscuits and wafers, cakes, chewing gum, confectionery, etc., and all raw and auxiliary materials related to these finished and semi-finished products.
Head Office Address	No:1 Büyük Çamlıca, Üsküdar/İstanbul
Internet Address	www.ulker.com.tr
Tax Office	Istanbul - Large Taxpayers Tax Office
Tax Registration Number	9060022039
NACE Code	10.72.01
Independent Auditor	DRT Independent Audit and Independent Accountant Financial Consultancy Inc.
Market in which the Capital Market Instrument is Traded	Star Market - Company 1

b. Transferred Company 1 - ÜLKER CHOCOLATE

Trade Name	Ülker Chocolate Industry Inc.
Establishment Date	05.09.1991
Time	Permanent
Trade Registry Directorate	Istanbul
Registration Number	278588
Mersis	0920-0034-0390-0011
Legal Status	Corporation
Time	Permanent
Field of Activity	To manufacture chocolate, cream chocolate, chocolate coated products and cocoa powder products and to sell these products under various brands.
Head Office Address	Maltepe Mah. Fazılpaşa Cad. No:5 Topkapı, Zeytinburnu/İstanbul
Internet Address	www.ulkercikolata.com.tr
Tax Office	Istanbul - Large Taxpayers Tax Office
Tax Registration Number	9200034039
NACE Code	10.82.01 10.82.03 10.82.04 10.82.07
Independent Auditor	DRT Independent Audit and Independent Accountant Financial Consultancy Inc.
Market in which the Capital Market Instrument is Traded	None

c. Transferred Company 2 - BİSKOT

Trade Name	Biskot Biscuit Food Industry and Trade Inc.
Establishment Date	30.12.1986
Time	Permanent
Trade Registry Directorate	Karaman
Registration Number	3664
Mersis	0178021014500001
Legal Status	Corporation
Time	Permanent
Field of Activity	Food Production (Manufacture of products such as rusks, biscuits, wafers, ice cream cones, paper halva, etc. (including chocolate-coated ones)
Head Office Address	Organized Industrial Zone Ereğli Road Uzeri, Karaman Center/Karaman
Internet Address	www.biskot.com.tr
Tax Office	Karaman - Karaman Tax Office Directorate
Tax Registration Number	1780210145
NACE Code	10.72.01
Independent Auditor	DRT Independent Audit and Independent Accountant Financial Consultancy Inc.
Market in which the Capital Market Instrument is Traded	None

II- Information on Current Capital and Shares

a. Transferee Company - ÜLKER BİSKÜVİ

The Company's issued capital within the registered capital ceiling of TL 500,000,000.-TL is TL 342,000,000.- and is divided into 34,200,000,000 bearer shares, each with a nominal value of 1 (One) Kuruş.

As of the latest situation; The distribution of the Company's issued capital of TL 342,000,000.00 among the shareholders is as follows:

Shareholder	Capital Amount (TL)	Number of Shares	Nominal Value (TL)	Share Ratio (%)	Share Group
Pladis Foods Ltd.	174.420.000,00	17.442.000.000	0,01	51	-
Other	167.580.000,00	16.758.000.000	0,01	49	-
Sum	342.000.000,00	34.200.000.000	0,01	100	-

The registered capital of the Transferee Company has been fully paid "RSM Turkey Arkan Ergin Yeminli Mali Müşavirlik A.Ş." dated 14/03/2023 and numbered YMM-1984/3645-43 "Certified Public Accountant Report on the Determination of Payment of Capital".

- **Real and Legal Persons Who Indirectly Own the Capital**

Pladis Foods Ltd.			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
UMV Global Food Investments Ltd. (JERSEY)	2.134.239.916,00 GBP	2.134.239.916	100

UMV Global Food Investments Ltd. (JERSEY)			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
UI Holding BV (Netherlands)	2.314.229.918,00 GBP	2.314.229.918	100

UI Holding BV (Netherlands)			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
Maia International BV (Netherlands)	2,351,701,813.00 EUR	2.351.701.813	100

Maia International BV (Netherlands)			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
Yıldız Holding A.Ş.	2.377.909.942,00 EUR	2.337.909.942	100

Yıldız Holding A.Ş.			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
Kokler Investment Holding Inc.	3.038.488.639,00 TL	3.038.488.639	57
Şükran Consulting and Management Inc.	572,061,912.00 TL	572.061.912	10,73

Kokler Investment Holding Inc.			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
Murat ÜLKER	292,935,003.00 TL	292.935.003	91,21

Şükran Consulting and Management Inc.			
Shareholder	Capital Amount	Number of Shares	Share Ratio (%)
Murat ÜLKER	45,989,253.42 TL	4.598.925.342	100

The ultimate real person who indirectly owns the capital of ÜLKER BİSKÜVİ is the partner Murat ÜLKER (36.25%).

- **As of the latest situation, the actual circulating share ratio of the company is as follows:**

Stock Exchange Code	(* Actual Outstanding Share Amount (TL)	Actual Circulating Share Ratio (%)
ÜLKER	142.567.349,92	41,68

(*) It is the amount on the Public Disclosure Platform as of the CMB application date.

- **Privileges Granted to Shares Representing Capital and Whether Existing Privileges Continue**

There is no privilege and group distinction between shares.

- **Explanation Regarding Usufruct Certificates, Bonds and Similar Debt Securities, If Any, Among the Shares Representing the Capital**

There is no usufruct certificate with the Transferee Company.

Within the framework of the decision of the Board of Directors of the Company dated 19.08.2020; Pursuant to the authority granted in Article 10 of the Articles of Association, the issuance document was approved by the decision of the Capital Markets Board dated 16.10.2020 for the issuance of debt instruments up to a total amount of USD 750,000,000 (seven hundred and fifty million) or equivalent to be sold outside Turkey through one or more issuances within a period of 1 year from the date of approval of the Capital Markets Board.

On 22.10.2020, the book-building process for the bond issuance, which is planned to be sold to qualified investors abroad in the format of "Rule 144A" and "Regulation S" and traded on the Irish Stock Exchange, was completed and it was decided to issue debt instruments with a maturity of USD 650,000,000 and 5 years.

Following the approval of the issuance certificate from the Capital Markets Board, the bonds with a nominal value of USD 650,000,000, which were issued for sale abroad and rated as B+ (stable) by S&P and BB- (negative) by Fitch, were completed on October 30, 2020, and the said bonds were listed on the Irish Stock Exchange (Euronext Dublin).

Starting from 30.10.2020, the first 4 coupon payments of the bonds with a maturity of 30.10.2025 with 10 coupon payments as of 6-month periods were made on time.

b. Transferred Company 1 - ÜLKER CHOCOLATE

The paid-in capital of the Company is TL 150,000,000.00 and is divided into 15,000,000,000 registered shares, each with a nominal value of TL 0.01.

As of the latest situation; The distribution of the Company's paid-in capital of TL 150,000,000.00 among the shareholders is as follows:

Shareholder	Share Amount (TL)	Number of Shares	Nominal Value (TL)	Share Ratio (%)	Share Group
Ülker Bisküvi Sanayi A.Ş.	137.500.013,58	13.750.001.358	0,01	91,67	-
Murat ÜLKER	2.499.998,57	249.999.857	0,01	1,67	-

Orhan ÖZOKUR	2.499.998,57	249.999.857	0,01	1,67	-
Fatma Betül ÜLKER	2.499.998,57	249.999.857	0,01	1,67	-
Ali ÜLKER	2.499.998,57	249.999.857	0,01	1,67	-
Ahsen ÜLKER ÖZOKUR	2.499.998,57	249.999.857	0,01	1,67	-
Sum	150.000.000,00	15.000.000.000	0,01	100,00	-

The registered capital of the transferred Company has been fully paid, "RSM Turkey Arkan Ergin Yeminli Mali Müşavirlik A.Ş." dated 14/03/2023 and numbered YMM-1984/3643-41 "Certified Public Accountant Report on the Determination of Payment of Capital".

- **Real and Legal Persons Who Indirectly Own the Capital**

All other shareholders of ÜLKER CHOCOLATE, except for ÜLKER BİSKÜVİ, are real persons. Apart from this, since 91.67% of ÜLKER CHOCOLATE shares belong to ÜLKER BİSKÜVİ; Real and legal persons who indirectly own the capital of ÜLKER BİSKÜVİ also indirectly own the capital of ÜLKER CHOCOLATE. For real and legal persons who indirectly own the capital of ÜLKER CHOCOLATE, the information under the heading "Real and legal persons who indirectly own the capital" under the heading II/A of this Report is preserved as it is, and the **ultimate real** person partner is Murat ÜLKER (34.90%).

- **Privileges Granted to Shares Representing Capital and Whether Existing Privileges Continue**

There is no privilege and group distinction between shares.

- **Explanation Regarding Usufruct Certificates, Bonds and Similar Debt Securities, If Any, Among the Shares Representing the Capital**

The transferred Company does not have usufruct certificates or bonds or similar debt securities.

c. Transferred Company 2 - BİSKOT

The paid-in capital of the Company is TL 64,812,772.00 and it is divided into 64,812,772 registered shares, each with a nominal value of TL 1 (one). There is no privilege and group distinction between shares.

As of the latest situation; The distribution of the Company's paid-in capital of TL 64,812,772.00 among the shareholders is as follows:

Shareholder	Capital Amount (TL)	Number of Shares	Nominal Value (TL)	Share Ratio (%)	Share Group
Ülker Bisküvi Sanayi A.Ş.	47.912.032,00	47.912.032	1	73,92	-
Yıldız Holding A.Ş.	16.900.740,00	16.900.740	1	26,08	-
Sum	64.812.772,00	64.812.772	1	100,00	-

The registered capital of the transferred Company has been fully paid, "RSM Turkey Arkan Ergin Yeminli Mali Müşavirlik A.Ş." dated 14/03/2023 and numbered YMM-1984/3644-42 "Certified Public Accountant Report on the Determination of Payment of Capital".

- **Real and Legal Persons Who Indirectly Own the Capital**

Since 73.92% of BİSKOT shares belong to ÜLKER BİSKÜVİ and 26.08% to Yıldız Holding A.Ş.; Real and legal persons who indirectly own the capital of ÜLKER BİSKÜVİ and Yıldız Holding A.Ş. also indirectly own the capital of BİSKOT. For real and legal persons who indirectly own the capital of ÜLKER BİSKÜVİ and Yıldız Holding A.Ş., the information "Real and legal persons who indirectly own the capital" under the heading II/A of this Report is preserved as it is, and the **ultimate real** person partner is Murat ÜLKER (43.28%).

- **Privileges Granted to Shares Representing Capital and Whether Existing Privileges Continue**

There is no privilege and group distinction between shares.

- **Explanation Regarding Usufruct Certificates, Bonds and Similar Debt Securities, If Any, Among the Shares Representing the Capital**

The transferred Company does not have usufruct certificates or bonds or similar debt securities.

III- Information on Governing Bodies and Members

a. Transferee Company - ÜLKER BİSKÜVİ

Name Surname	Task
Ahmet BAL	Chairman of the Board of Directors - Independent Member
Ali ÜLKER	Deputy Chairman of the Board of Directors
Murat ÜLKER	Board Member
Fusun KURAN	Member of the Board of Directors - Independent Member
Fatma Pınar Ilgaz	Member of the Board of Directors - Independent Member
Mete BUYURGAN	Board Member
Mehmet TÜTÜNCÜ	Board Member
İbrahim TAŞKIN	Board Member
Independent Auditor	At the Ordinary General Assembly Meeting for the fiscal year 2021 dated May 10, 2022, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was elected as the independent auditor for the fiscal year 2022 and was registered and announced.

b. Transferred Company 1 - ÜLKER CHOCOLATE

Name Surname	Task
Mehmet TÜTÜNCÜ	Chairman of the Board of Directors
Ali ÜLKER	Deputy Chairman of the Board of Directors
Murat ÜLKER	Board Member
Mete BUYURGAN	Board Member

Hüseyin Avni METİNKALE	Board Member
İbrahim TAŞKIN	Board Member
Fahrettin Günalp ERTİK	Board Member

c. Transferred Company 2 - BİSKOT

Name Surname	Task
Mehmet TÜTÜNCÜ	Chairman of the Board of Directors
Ali ÜLKER	Deputy Chairman of the Board of Directors
Mete BUYURGAN	Board Member
Hüseyin Avni METİNKALE	Board Member

ARTICLE 2 - INFORMATION ON THE MAIN FIELDS OF ACTIVITY OF THE COMPANIES THAT ARE PARTIES TO THE MERGER TRANSACTION AND THE RESULTS OF THE SAID ACTIVITIES:

a. Transferee Company - ÜLKER BİSKÜVİ

Field of Activity: The Company's field of activity is the manufacture of all foodstuffs and especially; the manufacture, purchase, sale, import and export of all kinds of bakery and sugary, cocoa, hazelnut products and semi-finished products such as biscuits, chocolate, wafers, chocolate coated biscuits and wafers, cakes, chewing gum, confectionery, etc., and all raw and auxiliary materials related to these finished and semi-finished products. The history of ÜLKER BİSKÜVİ, one of Turkey's well-established, strong, domestic and national brands, dates back to 1944, and Ülker, which was founded by the late Sabri Ülker and Asım Ülker brothers in Eminönü Nohutçu Han in its early years, has continued with the production of chocolate products, wafers and chocolate since 1970, and in 1975, Ülker Bisküvi Sanayi A.Ş. was established and expanded its production activities.

As the main brand, ÜLKER BİSKÜVİ has contributed to the development and retention of many sub-brands in the market, and these brands create a wide range of products from biscuits to chocolate.

Finally, in August 2021, the company acquired Önem Gıda, of which it is its main customer, in order to provide high-level synergy in its main categories, chocolate and bakery products, and to strengthen the sustainable and profitable growth of the company.

Information on Operating Results: Operating results are included in the financial statements and annual reports annexed to this Merger Report.

b. Transferred Company 1 - ÜLKER CHOCOLATE

Field of Activity: The main field of activity of ÜLKER CHOCOLATE, in which ÜLKER BİSKÜVİ participates at the rate of 91.67%, is the manufacture of all foodstuffs and especially various chocolate paste, chocolate, chocolate ingredients, wafers, confectionery; the production and purchase of all kinds of bakery, sugary, cocoa, hazelnut products and semi-finished products such as chewing gum, jam, cake, etc., and all raw and auxiliary materials related to these finished and semi-finished products, sale, import and export and purchase and sale of all kinds of packaging materials and all kinds of agricultural products used in the packaging and packaging of these products, as well as the purchase and sale and export of processed and unprocessed hazelnuts; processing of unprocessed hazelnuts and related hazelnut processing machinery and export, purchase and sale, leasing, purchase, sale, lease, establishment and operation of facilities, buildings and warehouses for this purpose.

With the start of modern chocolate production in 1972, ÜLKER BİSKÜVİ company invested in 2 molded production lines in 1976 in order to make chocolate in molds, and filled products were produced and introduced to the Turkish market. In 1982, a new chocolate factory was established and its product capacity and varieties were increased, and in 1991, Ülker Chocolate Industry Inc. was established and all chocolate production was gathered under this company.

ÜLKER CHOCOLATE continues its activities with 1,293 employees in its 3 factories with an annual production capacity of 210 thousand tons in Topkapı, Istanbul. The factories, established on an area of 26,742 m², produce in a total closed area of 67,745 m².

The company, which produces more than 400 varieties under the Ülker and Alpella brands in the categories of solid chocolate, chocolate coated products, cream chocolate, treat chocolate and powdered cocoa, includes Ülker Chocolate Wafer, Çokokrem, Metro, Albeni, Çokonat, Dido, Cocostar and Caramio.

Ülker Chocolate, which has ISO 9001: Quality Management System, ISO 22000: Food Safety Management System, BRC, OHSAS 18001: Occupational Health and Safety, ISO 14001: Environmental Management System and TSE certificates, has also received the AIB (American Institute of Baking) certificate.

ÜLKER CHOCOLATE has an advanced machinery-plant park, and almost all of its production processes are managed with an automation system with the advanced technology used. In addition to production lines, packing, parcel transportation, packaging and storage systems that provide logistics support are also included in the automation system.

On the other hand, within the scope of R&D, the implementation of new product projects, the improvement of product quality and/or standards, the research and implementation of new raw materials, processes and technologies, the determination of raw material and process standards and the improvement of existing ones, and the implementation of these improvements by taking into account the Turkish Food Legislation, the European Community Food Legislation, the food legislation of the exporting countries and the environmental laws, and the rules of healthy nutrition activities are continuing.

Information on Operating Results: Operating results are included in the financial statements and annual reports annexed to this Merger Report.

c. Transferred Company 2 - BİSKOT

Field of Activity: The main field of activity of BİSKOT, which has been among the subsidiaries of ÜLKER BİSKÜVİ since 1999 by participating in the capital at a rate of 73.92%; production and trade of all bakery, sugary and other foodstuffs, production, packaging, marketing, sales and distribution of biscuits, chocolate, all kinds of confectionery and bakery, sugary, chocolate products, production of all kinds of flour and bakery materials and supply of raw materials of all kinds of chocolate and hazelnut products production, packaging, marketing, sales and distribution of all kinds of chocolate and hazelnut foodstuffs until they become final products, and to produce, market, sell and distribute biscuits and cakes of all types and shapes. In 1986, Karsa Biscuit Food Industry and Trade Ltd. Sti. The Company, which was established to operate in the field of biscuits, entered into a partnership with Ülker in 1999 and took the title of Biskot Gıda Sanayi ve Ticaret A.Ş. and operates in its production facilities located in Karaman Organized Industrial Zone and Silivri, Istanbul. The company continues its activities with 450 product types in the fields of biscuit, wafer, cracker, chocolate coated products and cake production. This product range of the company also includes products that are known as "super market brands" in the country. The Silivri facility is the production center of Godiva chocolate brands and an important location for the production of "treat" chocolate. The facility consists of 16 production lines with a total closed area of 42,500 m2 and its production capacity is 25 thousand tons per year. In the facility in Karaman, production is carried out in an area of 217,000 m2 with an annual production capacity of approximately 254,809 tons.

BİSKOT also includes sales organizations that undertake the distribution of Ülker, Godiva, Halk and Karsa branded products all over Turkey. Apart from its own branded products, the company also produces crackers, marshmallow wafers, chocolates and chocolate coated products as "private label products".

Information on Operating Results: Operating results are included in the financial statements and annual reports annexed to this Merger Report.

ARTICLE 3 - BOARD OF DIRECTORS DECISIONS BASED ON THE MERGER PROCESS

a) Transferee Company - ÜLKER BİSKÜVİ

With the Board of Directors Decision of ÜLKER BİSKÜVİ dated 25/04/2023 and numbered 2023/05;

1. "By continuing our activities in a more focused structure within our publicly traded Company by taking over Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. (73.92% owned by our Company) and Ülker Chocolate Industry Inc. (91.67% owned by our Company), our domestic subsidiaries operating in the same sector (manufacturing) operating in the same sector (manufacturing), together with all their assets and liabilities, In order to increase efficiency and effectiveness and reduce costs; Pursuant to the provisions of the Capital Markets Law No. 6362, the Capital Markets Board's ("CMB") Communiqué on Mergers and Demergers No. II-23.2 and other relevant regulations, the Turkish Commercial Code No. 6102 and the Corporate Tax Law No. 5520 and

other relevant legislation; Our company Ülker Bisküvi Sanayi A.Ş. ("Company") It was decided to merge within the body.

2. It has been decided that the merger transaction will be carried out on the basis of the financial statements of the companies that are parties to the transaction dated 31.12.2022, which have been prepared within the framework of the relevant regulations of the CMB and have been subject to independent audit.

3. The amount of the capital increase to be made at our Company ÜLKER BİSKÜVİ due to the merger transaction in accordance with the merger rate, the replacement rate and the amount of the capital increase to be issued as a result of the said capital increase, Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. and Ülker Çikolata Sanayi A.Ş. In determining the number of shares to be allocated to the shareholders, it has been decided to take the Expert Institution Report prepared in accordance with the provisions of Article 7 titled "Expert Institution Opinion" of the CMB's Communiqué on Mergers and Demergers No. II-23.2 as a basis.

4. In accordance with the provisions of the relevant legislation, it has been decided to apply to the CMB for the approval of the announcement text following the preparation of the merger agreement and merger report and the fulfillment of all other necessary procedures regarding the merger through acquisition.

5. Including but not limited to those listed in the above articles, any two of Ali ÜLKER, Mehmet TÛTÛNCÛ and Mete BUYURGAN will be jointly authorized for the execution of all kinds of announcements, permits of other institutions and organizations and similar transactions to be made within the scope of this decision."

b) Transferred Company 1 - ÜLKER CHOCOLATE

With the Board of Directors Decision of ÜLKER CHOCOLATE dated 25/04/2023 and numbered 2023/03;

1. Pursuant to the provisions of the Capital Markets Law No. 6362, the Capital Markets Board's ("CMB") Communiqué on Mergers and Demergers No. II-23.2 and other relevant regulations, the Turkish Commercial Code No. 6102 and the Corporate Tax Law No. 5520 and other relevant legislation; Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. and our Company Ülker Chocolate Industry Inc. ("Company"), together with all its assets and liabilities, was transferred to Ülker Bisküvi Sanayi A.Ş. ("ÜLKER BISCUIT") It was decided to merge within the body.

2. It has been decided that the merger transaction will be carried out on the basis of the financial statements of the companies that are parties to the transaction dated 31.12.2022, which have been prepared within the framework of the relevant regulations of the CMB and have been subject to independent audit.

3. The amount of the capital increase to be made at Ülker Bisküvi San. A.Ş. due to the merger transaction in accordance with the merger rate, the replacement rate and the amount of the capital increase to be issued as a result of the said capital increase , Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. and our Company Ülker Çikolata Sanayi A.Ş. In determining the number of shares to be allocated to the shareholders, it has been decided to take the Expert Institution Report prepared in accordance with the provisions of Article 7 titled "Expert Institution Opinion" of the CMB's Communiqué on Mergers and Demergers No. II-23.2 as a basis.

4. In accordance with the provisions of the relevant legislation, it has been decided to apply to the CMB for the approval of the announcement text following the preparation of the merger agreement

and merger report and the fulfillment of all other necessary procedures regarding the merger through acquisition.

5. It has been decided to jointly authorize any two of Ali ÜLKER, Mehmet TÛTÛNCÛ and Mete BUYURGAN for the execution of all kinds of announcements, permits of other institutions and organizations and similar transactions to be made within the scope of this decision, including but not limited to those listed in the above articles.

c) Transferred Company 2 - BİSKOT

With the Board of Directors Decision of BİSKOT dated 25/04/2023 and numbered 2023/04;

1. Pursuant to the provisions of the Capital Markets Law No. 6362, the Capital Markets Board's ("CMB"), the Communiqué on Mergers and Demergers No. II-23.2 and other relevant regulations, the Turkish Commercial Code No. 6102 and the Corporate Tax Law No. 5520 and other relevant legislation; Ülker Bisküvi Sanayi A.Ş. and our Company Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş. ("Company") were transferred to Ülker Bisküvi Sanayi A.Ş. ("ÜLKER BISCUIT") It was decided to merge within the body.

2. It has been decided that the merger transaction will be carried out on the basis of the financial statements of the companies that are parties to the transaction dated 31.12.2022, which have been prepared within the framework of the relevant regulations of the CMB and have been subject to independent audit.

3. The merger rate, the replacement ratio and the amount of the capital increase to be made at Ülker Bisküvi due to the merger transaction in accordance with these, and subsequently from the ÜLKER BİSKÜVİ shares to be issued as a result of the said capital increase, will be transferred to ÜLKER BİSKÜVİ .In determining the number of shares to be allocated to the shareholders, it has been decided to take the Expert Institution Report prepared in accordance with the provisions of Article 7 titled "Expert Institution Opinion" of the CMB's Communiqué on Mergers and Demergers No. II-23.2 as a basis.

4. In accordance with the provisions of the relevant legislation, it has been decided to apply to the CMB for the approval of the announcement text following the preparation of the merger agreement and merger report and the fulfillment of all other necessary procedures regarding the merger through acquisition.

5. It has been decided to jointly authorize any two of Ali ÜLKER, Mehmet TÛTÛNCÛ and Mete BUYURGAN for the execution of all kinds of announcements, permits of other institutions and organizations and similar transactions to be made within the scope of this decision, including but not limited to those listed in the above articles.

The Transferee Company will transfer all the assets and liabilities of the Transferee Companies it has taken over in ashes to its balance sheet on the date of registration of the general assembly resolutions regarding the approval of the merger, and the Transferee Companies will be dissolved without liquidation.

ARTICLE 4 - PURPOSE, LEGAL AND ECONOMIC JUSTIFICATIONS and POSSIBLE CONSEQUENCES OF THE MERGER

4.1. With the realization of the merger transaction, as a result of the merger of ÜLKER BİSKÜVİ, ÜLKER CHOCOLATE and BİSKOT under the publicly traded umbrella of ÜLKER BİSKÜVİ within the framework of the Turkish Commercial Code No. 6102, the Corporate Tax Law No. 5520, the Capital Markets Law No. 6362 and other relevant legislation, ÜLKER BİSKÜVİ, one of the domestic subsidiaries operating in the same sector (manufacturing) that is currently in the

consolidation of ÜLKER BİSKÜVİ, By taking over ÜLKER CHOCOLATE and BISKOT, it is aimed to create a single publicly traded company whose shares are traded on the Stock Exchange within the framework of the relevant legislation, whose shareholding structure has been simplified, and whose corporate and legal management infrastructure has been integrated and strengthened.

4.2. As a result of the merger; by simplifying the shareholding structure, the related party transactions of the Transferee Company with the Transferee Companies will be terminated.

4.3. In addition, since the Acquired ÜLKER CHOCOLATE and BISKOT are known large and important companies of the Transferee ÜLKER BİSKÜVİ, it is aimed that the publicly traded Transferee Company will have a stronger and more permanent corporate governance operation and enable the expansion of its investor base with the integrated and strengthened structure gathered under ÜLKER BİSKÜVİ.

4.4. Another reason is the reduction in the number of subsidiaries due to the merger, savings in independent audit, certified public accountancy and other reporting fees and expenses, senior management expenses, website, announcement, registration and many similar cost items, and more effective and efficient management of assets and resources.

4.5. The transfer will become effective upon the registration of the general assembly meetings of the Contracting Companies regarding the merger transaction by the Istanbul Trade Registry Office, and all rights, receivables, debts and obligations of the Transferee Companies ÜLKER CHOCOLATE and BİSKOT will be transferred to the Transferee Company ÜLKER BİSKÜVİ in accordance with the provisions of the legislation following the registration process.

4.6. As a result of the merger, the debts of the Transferee Companies to 3rd parties, which will be dissolved without liquidation, will be paid in full and on time by the Transferee Company on their due dates in accordance with the terms of the agreement, the provisions of the Turkish Commercial Code and the relevant legislation.

4.7. The personnel of the Transferee Companies will be transferred to the Transferee Company with all their rights and obligations within the provisions of the legislation. There will be no change in the rights of the employees of the transferred Company.

4.8. The Transferee Company shall submit a letter of undertaking stating that it will pay all tax debts accrued and to be accrued until the date of merger and fulfill other obligations of the Transferee Companies that will be dissolved without liquidation as a result of the merger to the Tax Office Directorates to which the Transferee Companies are affiliated within the legal period and shall provide sufficient collateral upon request.

ARTICLE 5 - MERGER AGREEMENT

The Merger Agreement signed by the Companies Parties to the Merger on 25/04/2023 is attached (**Annex-1**).

ARTICLE 6 - FINANCIAL STATEMENTS FOR MERGER

In the merger transaction and the calculations related to the merger transaction;

Since the Acquiree Company ÜLKER BİSKÜVİ is within the scope of the Capital Markets Law and its shares are traded on Borsa Istanbul A.Ş., in accordance with the provisions of the "*Communiqué on Principles Regarding Financial Reporting in Capital Markets*" numbered II - 14.1 of the Capital Markets Board, the Turkish Accounting Standards/Turkish Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards and the formats determined by the CMB. the annual financial statements and footnotes for the accounting period of 01.01.2022 - 31.12.2022, which have been prepared in accordance with and independently audited, will be taken as basis (**Annex: 2**).

Although ÜLKER CHOCOLATE and BİSKOT shares are not traded on the Stock Exchange, the financial statements and footnotes of the companies to be taken as the basis for the merger transaction are in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority in accordance with the provisions of the "*Communiqué on Principles Regarding Financial Reporting in Capital Markets*" numbered II - 14.1 of the Capital Markets Board and in the formats determined by the CMB. has been prepared in accordance with the Constitution and has been independently audited, and within this framework, the annual financial statements and footnotes for the accounting period of 01.01.2022 - 31.12.2022 have been taken as basis.

ARTICLE 7 - EXPERT INSTITUTION REPORT

In the merger transaction; in order to carry out the merger rate, change rate and the merger transaction in accordance with these, the amount of the capital increase to be made in ÜLKER BİSKÜVİ and the number of shares to be allocated to the shareholders of the Transferred Companies from the ÜLKER BİSKÜVİ shares to be issued in the said capital increase in a fair and reasonable manner, the transferee Company's Since it is subject to the Capital Markets Law and its shares are traded on Borsa Istanbul A.Ş., *an Expert Institution Report* must be obtained in accordance with the provisions of Article 7 of the Capital Markets Board's "*Communiqué on Mergers and Demergers No. (II-23.2)*" titled "*Expert Institution Opinion*".

Within the framework of the Board of Directors Decisions of ÜLKER BİSKÜVİ dated 25/04/2023 and numbered 2023/05, **ÜLKER CHOCOLATE** dated 25/04/2023 and numbered 2023/03 and **BİSKOT** dated 25/04/2023 and numbered 2023/04, the Parties have signed the merger transaction as an Expert Institution among the companies deemed appropriate by the CMB. They signed the Convention on 01/02/2023.

In this context, KPMG Management Consultancy Inc. has been appointed as the Expert Institution. The Expert Institution Report is included in the annex of this Merger Report (**Annex: 3**).

ARTICLE 8 - EXPLANATIONS REGARDING THE EXCHANGE RATE OF SHARES, THE RIGHTS OF THE TRANSFEREE AND ESPECIALLY THE SHAREHOLDERS OF THE TRANSFEREE COMPANIES IN THE TRANSFEREE COMPANY:

According to the Expert Institution Report prepared in accordance with the provisions of Article 7 of the *Capital Markets Board's Communiqué on Mergers and Demergers No. (II-23.2)* titled "*Expert Institution Opinion*";

a. Paid-in/Issued Capital and Shareholding Structures of the Companies Parties to the Merger

The paid-in capital of the transferred ÜLKER CHOCOLATE is 150,000,000.-TL. Information on the shareholding structure is as provided under Article I/II-B of this Merger Report. The Transferee Company ÜLKER BİSKÜVİ directly owns 91.67% of the shares representing the capital of the Transferee Company ÜLKER CHOCOLATE.

The paid-in capital of the transferred BİSKOT is TL 64,812,772.00. Information on the shareholding structure is as given under Article I/II-C of this Merger Report. The Transferee Company, ÜLKER BİSKÜVİ, directly owns 73.92% of the shares representing the capital of the Transferee Company BİSKOT.

The issued capital of the Transferee Company ÜLKER BİSKÜVİ within the registered capital ceiling of 500,000,000.-TL is 342,000,000.-TL. As a result of this merger transaction, which will be realized through the acquisition of ÜLKER BİSKÜVİ, ÜLKER CHOCOLATE and BİSKOT, there will be an increase in the capital of ÜLKER BİSKÜVİ, which will be calculated by taking into account the above shareholding structures.

b. Merger and Change Rates, Capital Amount of the Acquiring Company to be Increased

According to the Report dated 25/04/2023 prepared by the Expert Institution, the merger rate and the rates of change in terms of Transferred Companies were determined as follows by creating the result value ranges by the discounted cash flows method after the valuation analyzes made according to 4 different methods. The rates of change reached by using other valuation methods are also included in the attached Expert Institution Report.

Coalescence Rate (%)	92,6
Change Rate for ÜLKER CHOCOLATE	0,7412
Exchange Rate for BİSKOT	1.0659

Accordingly, the total capital amount to be increased due to the merger of ÜLKER BİSKÜVİ, which has an issued capital of 342,000,000.- TL, will be 27,275,855 TL. Bearer shares representing TL 9,261,762 of this amount will be given to the shareholders of ÜLKER CHOCOLATE, and bearer shares representing TL 18,014,093 will be given to the shareholders of BİSKOT. The issued capital of ÜLKER BİSKÜVİ as a result of the merger will be TL 369,275,855.

c. Type and Nominal Value of the Shares to be Given to the Shareholders of the Transferred Companies

Shares representing the capital of ÜLKER BİSKÜVİ increased due to the merger will be given to the shareholders of the Transferee Companies as shown below:

- Bearer ÜLKER BISCUIT shares **with a nominal value of 0.7412 units/TL** for each 10,000 ÜLKER CHOCOLATE shares with a nominal value of TRY 0.01 to the transferred ÜLKER CHOCOLATE shareholders,

- For each 10,000 BİSKOT shares with a nominal value of 1 TL, bearer ÜLKER BİSKÜVİ shares with a nominal value of 1.0659 units/TL for the transferred BİSKOT shareholders,

ARTICLE 9 - FEATURES REGARDING THE VALUATION OF SHARES IN TERMS OF DETERMINING THE MERGER RATE AND EXCHANGE RATE

In the merger transaction; in order to carry out the merger rate, change rate and the merger transaction in accordance with these, **the amount of the capital increase to be made in ÜLKER BİSKÜVİ** and the **number of shares to be allocated to the shareholders of the Transferred Companies from the ÜLKER BİSKÜVİ** shares to be issued in the said capital increase in a fair and reasonable manner, the transferee Company's Since it is subject to the Capital Markets Law and its shares are traded on Borsa Istanbul A.Ş., the Expert Institution Report has been taken as basis in accordance with the provisions of Article 7 of the Capital Markets Board's *Communiqué on Mergers and Demergers No. (II-23.2)* titled "Expert Institution Opinion".

As regulated in the "Communiqué on Merger and Demerger No. (II-23.2)" of the Capital Markets Board, in order to determine the merger rate, share exchange rate and the amount of capital to be reached as a result of the merger in the merger of the Party Companies, in the Expert Institution Report; internationally accepted "discounted cash flows", "Company Value/Net Sales multiples of similar companies and similar transactions", "Company Value/EBITDA multiples" and "book values" were analyzed. The values subject to the merger were calculated based on the results of the discounted cash flows method. The relevant method provided the opportunity to make a more detailed analysis due to the fact that ÜLKER BİSKÜVİ operates in different geographies and the activities in these geographies have different dynamics; Since it is more difficult to correct the effect of dynamics such as growth, return, etc. specific to companies on market multipliers, the merger ratio was determined fairly and reasonably by creating the result value ranges with the discounted cash flows method after valuation analysis, considering that discounted cash flows will give more meaningful results than market multipliers.

According to the Expert Organization Report;

Coalescence Rate (%)	92,6
Change Rate for ÜLKER CHOCOLATE	0.7412
Exchange Rate for BİSKOT	1.0659

It has been determined as.

ARTICLE 10 - OPINION ON WHETHER THE MERGER RATE TO BE USED IS FAIR AND REASONABLE

As regulated in the "Communiqué on Merger and Demerger No. (II-23.2)" of the Capital Markets Board, in order to determine the merger rate, share exchange rate and the amount of capital to be reached as a result of the merger in the merger of the Contracting Companies, in the Expert Institution Report; internationally accepted "discounted cash flows", "Company Value/Net Sales multiples of similar companies and similar transactions", "Company Value/EBITDA multiples" and "book values" were analyzed. The values subject to the merger were calculated based on the results of the discounted cash flows method. The relevant method provided the opportunity to make a more detailed analysis due to the fact that ÜLKER BİSKÜVİ operates in different

geographies and the activities in these geographies have different dynamics; Since it is more difficult to correct the effect of dynamics such as growth, return, etc. specific to companies on market multipliers, the merger ratio was determined fairly and reasonably by creating the result value ranges with the discounted cash flows method after valuation analysis, considering that discounted cash flows will give more meaningful results than market multipliers.

ARTICLE 11 - AMOUNT OF CAPITAL INCREASE TO BE MADE BY THE TRANSFEREE ÜLKER BİSKÜVİ

The amount of capital to be increased within the framework of the merger transaction of the Acquiree Company is TL 27,275,855, and the issued capital of the Acquiree Company to be reached as a result of the merger will be TL 369,275,855.

- Bearer ÜLKER BISCUIT shares **with a nominal value of 0.7412 units/TL** for each 10,000 ÜLKER CHOCOLATE shares with a nominal value of TRY 0.01 to the transferred ÜLKER CHOCOLATE shareholders,
- For **each 10,000 BİSKOT** shares with a nominal value of 1 TL, bearer ÜLKER BİSKÜVİ shares **with a nominal value of 1.0659 units/TL** for the transferred BİSKOT shareholders,

will be given.

ARTICLE 12 - THE AMOUNT OF THE RETIREMENT FUND AND THE REASONS FOR THE PAYMENT OF THE RETIREMENT FUND INSTEAD OF THE COMPANY'S SHARE AND PARTNERSHIP RIGHTS AND THE EQUALIZATION PAYMENT

Within the scope of the Merger Transaction subject to this Merger Report, no separation fund is stipulated in accordance with the provision of Article 141 of the TCC.

Within the scope of the Merger Transaction subject to this Merger Report, it is not foreseen that equalization payments will be made to the minority shareholders of the Transferee Companies in accordance with Article 140 of the TCC.

Pursuant to Article 24 of the Capital Markets Law titled "Exit Right" and the first paragraph of Article 5 titled "Merger and Demerger Transactions Considered as Material Transactions" of the Capital Markets Board's Communiqué on "(II-23.3) Significant Transactions and Exit Right", the following merger transactions are considered as material transactions:

- a) The company is a party to the merger transactions in the form of a new establishment.*
- b) In merger transactions in the form of acquisition, the partnership;*
 - 1) Being a transferee party.*
 - 2) Being a transferee party and making a capital increase of 50% or more as a result of the merger.*

Within the framework of the provisions of the capital markets legislation and the Expert Institution Report; as a result of this Merger Transaction, the Merger Transaction in question is not a material transaction, since no capital increase of 50% or more will be made in the publicly traded Transferee **Company ÜLKER BİSKÜVİ**, which is subject to the capital markets legislation.

For this reason, the provisions of Article 24 of the Capital Markets Law titled "Exit Right" and the Capital Markets Board's Communiqué on "(II-23.3) Significant Transactions and Exit Right will not be applicable and the exit right does not arise.

ARTICLE 13 - CAPITAL INCREASE AND AMENDMENT TO THE ARTICLES OF ASSOCIATION

ÜLKER BİSKÜVİ is subject to the registered capital system, and according to the provision of Article 7 of the Articles of Association titled "Capital of the Company", the registered capital ceiling for the years 2022 - 2026 is 500,000,000.-TL within the ceiling period determined by the general assembly decision.

According to the Expert Organization Report; The **total amount of capital to be increased due to the merger** of **ÜLKER BİSKÜVİ**, which has an issued capital of TL 342,000,000.-, will be TL 27,275,855.

Pursuant to the provisions of Article 7 of the Articles of Association of the Transferee Company, which is subject to the registered capital system, and Article 8 titled "Capital Increase", the Board of Directors is authorized to increase the issued capital by issuing new shares up to the registered capital ceiling when it deems necessary, in accordance with the provisions of the Capital Markets Law, and to take decisions on the restriction of the shareholders' right to purchase new shares and the issuance of premium shares.

Since the increase to be made due to the Merger Transaction will remain within the registered capital ceiling, a general assembly resolution is not required, and within this framework, following the decision of the Board of Directors regarding the amendment and the approval of the CMB, the amendment of the article will be registered and announced in the trade registry.

Based on the findings in the report of the Expert Institution titled "KPMG Yönetim Danışmanlık A.Ş." regarding the merger dated 25/04/2023, a capital increase of TL 27,275,855 will be made within the Transferee Company. In this context, 2,727,585,500 bearer shares of TL 0.01 each will be issued by the Transferee Company. According to the provisions of this Merger Report, as a result of the merger; Article 7 of the Articles of Association of the Transferee Company titled "Capital" will be amended as follows.

OLD TEXT	NEW TEXT
Capital of the Company: Article 7	Capital of the Company

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and has switched to the registered capital system with the permission of the Capital Markets Board dated 23.01.2004 and numbered 2/24.

The registered capital ceiling of the company is 500,000,000 (Five hundred million) Turkish Liras, and 50,000,000,000 bearer shares with a nominal value of 1 (One) Kuruş each. (Fifty billion) shares.

The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2022-2026 (5 years). Even if the permitted registered capital ceiling has not been reached at the end of 2026, it is obligatory to obtain authorization from the general assembly for a new period not exceeding 5 years by obtaining permission from the Capital Markets Board for the given ceiling or a new ceiling amount. If the said authorization is not obtained, no capital increase can be made with the decision of the board of directors.

The issued capital of the company is 342,000,000 (Three hundred and forty-two million) Turkish Liras, and the said issued capital has been fully paid free from collusion. There is no privilege and group distinction between shares.

The company's capital may be increased or decreased within the framework of the provisions

Article 7

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and has switched to the registered capital system with the permission of the Capital Markets Board dated 23.01.2004 and numbered 2/24.

The registered capital ceiling of the company is 500,000,000 (Five hundred million) Turkish Liras, and 50,000,000,000 bearer shares with a nominal value of 1 (One) Kuruş each. (Fifty billion) shares.

The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2022-2026 (5 years). Even if the permitted registered capital ceiling has not been reached at the end of 2026, it is obligatory to obtain authorization from the general assembly for a new period not exceeding 5 years by obtaining permission from the Capital Markets Board for the given ceiling or a new ceiling amount. If the said authorization is not obtained, no capital increase can be made with the decision of the board of directors.

The issued capital of the company is 369,275,855 Turkish Liras, which is divided into 36,927,585,500 shares, each with a nominal value of 1 Kuruş. 342,000,000 Turkish Liras, which constitutes the previous issued capital, has been paid in full, free from collusion. There is no privilege and group distinction between shares.

TL 27,275,855, which has been increased this time, has been transferred to our Company's Ülker Chocolate Industry Joint Stock Company and Biskot Bisküvi Gıda Sanayi ve Ticaret Anonim Şirketi in accordance with the provisions of the Turkish Commercial Code No. 6102, the Corporate Tax Law No. 5520, the Capital Markets Law No. 6362, the Capital Markets Board's Communiqué on Mergers and Demergers No. II-23.2 and other relevant legislation, and according to the principles accepted in the merger agreement dated 25.04.2023 signed by all companies party to the merger, the acquisition of the said companies in a single form with all their assets and liabilities, rights and obligations was covered by the merger.

<p>of the Turkish Commercial Code and the Capital Markets Legislation when necessary.</p> <p>In accordance with the provisions of the Capital Markets Law, the Board of Directors is authorized to increase the issued capital by issuing new shares up to the registered capital ceiling when it deems necessary, and to take decisions on the restriction of the right of shareholders to purchase new shares and the issuance of premium shares. The power to restrict the right to purchase new shares cannot be used in a way that causes inequality among shareholders.</p> <p>The shares to be issued from the company funds will be distributed to the existing company shareholders free of charge according to their participation rates in the company capital.</p> <p>Shares representing the capital are dematerialized within the framework of dematerialization principles.</p>	<p>The company's capital may be increased or decreased within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Legislation when necessary.</p> <p>In accordance with the provisions of the Capital Markets Law, the Board of Directors is authorized to increase the issued capital by issuing new shares up to the registered capital ceiling when it deems necessary, and to take decisions on the restriction of the right of shareholders to purchase new shares and the issuance of premium shares. The power to restrict the right to purchase new shares cannot be used in a way that causes inequality among shareholders.</p> <p>The shares to be issued from the company funds will be distributed to the existing company shareholders free of charge according to their participation rates in the company capital.</p> <p>Shares representing the capital are dematerialized within the framework of dematerialization principles.</p>
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ARTICLE 14 - IF FORESEEN, INFORMATION ON ADDITIONAL PAYMENT AND OTHER PERSONAL PERFORMANCE OBLIGATIONS AND PERSONAL RESPONSIBILITIES TO BE INCURRED BY THE TRANSFERRED ÜLKER CHOCOLATE AND BISKOT PARTNERS DUE TO THE MERGER

None.

ARTICLE 15 - THE EFFECTS OF THE MERGER ON THE EMPLOYEES OF THE COMPANIES PARTICIPATING IN THE MERGER AND ITS CONTENT, IF ANY, THE CONTENT OF THE SOCIAL PLAN

All employees from the Transferee Companies will also be transferred, and accordingly, changes will be required in the organizational structure of the Transferee Company ÜLKER BİSKÜVİ, as well as in job descriptions and titles.

ARTICLE 16 - EFFECTS OF THE MERGER ON THE CREDITORS OF THE COMPANIES PARTICIPATING IN THE MERGER

As a result of the merger, the Transferred Companies will be dissolved without liquidation, and their debts to third parties will be paid in full on their due dates within the framework of the terms of the agreement, the Turkish Commercial Code and other legislation.

The provision of Article 541 of the Turkish Commercial Code will be applied to the debts of the Transferred Companies that have not been paid due to the failure of the creditors to apply even though they are due, and the debts that have not become due and/or are in dispute.

Pursuant to the provision of Article 157/1 of the TCC, if the creditors of the Transferee Companies make a request within three months from the date of the merger becoming legally valid by registration, **ÜLKER BİSKÜVİ** secures their receivables.

In accordance with the provisions of Article 157/1 of the TCC, the creditors of the Companies Parties to the Merger Transaction subject to this Merger Report shall be notified by an announcement to be made three times at seven-day intervals in the Turkish Trade Registry Gazette and also by an announcement to be published on the website.

Pursuant to the provision of Article 157/4 of the TCC, if it is understood that other creditors will not suffer losses, the obliged Company may pay its debt instead of providing collateral.

ARTICLE 17 - TAX DEBTS AND NOTIFICATION

The Transferee Company shall submit a letter of undertaking stating that it will pay all tax debts accrued and to accrue until the merger date of the Transferee Companies and fulfill its other obligations to the Tax Office Directorates to which the Transferee Companies are affiliated, within the legal period, and shall also provide sufficient collateral upon request.

The Parties shall submit the corporate tax return of the Transferee Companies, which they will prepare and sign jointly as of the date of transfer, to the Tax Office Directorates to which the Transferee Companies are affiliated, within 30 days at the latest from the day the merger is announced in the Turkish Trade Registry Gazette, by attaching the transfer balance sheet and income statement of the Transferee Companies that will be dissolved without liquidation as a result of the merger.

ARTICLE 18 - TRANSFER OF LEGAL RIGHTS OF THE ASSETS SUBJECT TO REGISTRATION OWNED BY THE TRANSFEREE COMPANIES

All legal rights of registered trademarks, real estates, vehicles and other registered assets, if any, owned by the Transferee Companies will be transferred and transferred to the Transferee Company as of the merger. Necessary registration procedures will be carried out based on the Merger Agreement.

ARTICLE 19 - APPROVALS OBTAINED FROM THE RELEVANT AUTHORITIES

The Party Companies operate in the same sector, and the activities within the Transferee Companies will continue within the Transferee Company. On the other hand, **ÜLKER BİSKÜVİ** owns the majority of the shares granting voting rights and therefore management control through the shares directly owned by the Transferee Companies in their capital. Since the control structures of the Transferee Companies do not change as a result of the merger transaction and the transaction takes place between group companies with the same economic integrity, the merger transaction *does not lead to a change of control within the scope of Article 6 of the "Communiqué on Mergers and Acquisitions Requiring Permission from the Competition Board"* (Communiqué No: 2010/04), and it is not necessary to obtain permission from the Competition Board for the said merger transaction.

For this Merger Transaction, which does not require permission from the Competition Board, **the declarations of ÜLKER BİSKÜVİ** and the Transferred Companies dated 25/04/2023 have been submitted to the Capital Markets Board ("CMB").

A permit application will be made to the Capital Markets Board by the Transferee Company.

ARTICLE 20 - APPROVAL OF THE CAPITAL MARKETS BOARD FOR THE ANNOUNCEMENT TEXT REGARDING THE MERGER TRANSACTION

The Announcement Text prepared regarding the Merger Transaction has been approved by the Capital Markets Board with its decision dated 21/07/2023 and numbered E-29833736-106.01.01-39906.

ARTICLE 21 - GENERAL ASSEMBLY

Pursuant to the provision of Article 149 of the TCC titled "Right of Examination" and Article 8 titled "Disclosure of the Public" of the CMB's Communiqué on Mergers and Demergers No. II-23.2, the Contracting Companies must submit the announcement text, merger agreement, merger report and financial reports for the last three years, expert institution report, estimated opening balance sheet after the merger, independent audit reports for the last three years and all relevant merger documents approved by the CMB. At least 30 days before the general assembly meeting where the Merger Transaction will be approved, they are obliged to announce it on the websites of the Party Companies, their headquarters addresses and via the Public Disclosure Platform (PDP) and open it to the review of the shareholders, and in accordance with the provision of Article 149 of the TCC, they indicate the right to review with an announcement to be made in the TTSG.

The Merger Transaction subject to this Merger Report and the Merger Agreement prepared within this scope shall be effective with the approval of the general assemblies of the Contracting Companies after obtaining legal permissions.

The invitations to be made by the boards of directors of the Companies Parties to the Merger regarding the approval of the Merger Transaction will be made in a way to ensure that the general assembly meetings regarding the Merger Transaction are held on 31.08.2023 at the latest, following the approval of the Capital Markets Board in the Announcement Text, otherwise this Merger Report will terminate automatically and without any consequences.

ARTICLE 22 - RISKS THAT MAY PREVENT THE REALIZATION OF THE OBJECTIVES TO BE ACHIEVED THROUGH THE MERGER PROCESS

22.1. Pursuant to the provision of Article 6 titled "*Financial Statements to be Taken as a Basis in Merger and Demerger Transactions*" of the Capital Markets Board's "*Communiqué on Mergers and Demergers No. (II-23.2)*"; It must be approved by the general assemblies of the Transferee Company and the Transferee Companies until 31.08.2023, otherwise the Merger Transaction will not be made on the financial statements dated 31.12.2022.

22.2. In the event of a significant change in the financial status of ÜLKER BİSKÜVİ and/or ÜLKER CHOCOLATE or BİSKOT as a party to the merger transaction between the date of signing the Merger Agreement, the following legislative provisions shall be complied with.

Pursuant to the provision of Article 10 titled "Financial position changes" of the Capital Markets Board's "Communiqué on Mergers and Demergers No. (II-23.2)"; *If there is a significant change in the financial status of any of the companies participating in the merger between the date of signing the merger agreement and the date on which it will be submitted for approval at the general assembly; the management body of the relevant company notifies this situation in writing to its general assembly, the management bodies of the other companies participating in the merger and the Board. In this case, the management bodies of the companies participating in the merger examine whether the merger agreement needs to be amended or the merger needs to be abandoned. In the event that the merger is abandoned or the merger agreement is decided to be amended as a result of the examination, the proposal to submit the merger agreement to the approval of the general assembly is withdrawn. In the event that it is decided to amend the merger agreement, the merger agreement and the related information and documents shall be rearranged and an application shall be made to the Board. In case it is decided that there is no need to update the merger agreement; The said decision, together with its justification, is presented to the information of the shareholders as a separate agenda item before the agenda item where the merger agreement will be discussed at the general assembly.*

22.3. Likewise, there is a risk that public institutions and organizations may take decisions that will prevent the merger and/or the necessary permissions will not be obtained.

ARTICLE 23 - OTHER PROVISIONS

The Companies Parties to the Merger will fulfill all their obligations in full and on time in accordance with the Turkish Commercial Code, the Corporate Tax Law, the secondary regulations of the Competition Authority and the Capital Markets Board regarding the merger and other relevant legislation.

In cases where there is no provision in this Merger Report, the provisions of the Turkish Commercial Code, the Corporate Tax Law, the Competition Authority and the Capital Markets Board's secondary regulations regarding the merger shall apply.

ARTICLE 24 - CONCLUSION

In line with the information and justifications contained in this Merger Report and the rate of change determined by the Expert Agency Report to be fair and reasonable, **it has been concluded that it would be appropriate for ÜLKER BİSKÜVİ to merge with ÜLKER BİSKÜVİ by taking over ÜLKER CHOCOLATE and BİSKOT as a single ash, with all its assets and liabilities .**

This Merger Report has been prepared in 3 copies. It has been signed by the Board of Directors of the Contracting Companies and will enter into force after it is approved by the General Assemblies of the Contracting Companies. This Merger Report is exempt from stamp tax in accordance with the provision added to Table (2) of the Stamp Tax Law No. 488 by Law No. 4684.

Eclair:

1. Merger Agreement
2. Annual financial statements and footnotes of the Companies Parties to the Merger for the accounting period of 01.01.2022 - 31.12.2022
3. Expert Institution Report

Istanbul, 21/07/2023

TRANSFEEE COMPANY

ÜLKER BISCUIT INDUSTRY INC.

Mehmet TÜTÜNCÜ
TRANSFERRED COMPANY 1

Mete BUYURGAN

ULKER CHOCOLATE INDUSTRY INC.

Mehmet TÜTÜNCÜ

Mete BUYURGAN

TRANSFERRED COMPANY 2

BISKOT BISCUIT FOOD INDUSTRY AND TRADE CO. INC.

Mehmet TÜTÜNCÜ

Mete BUYURGAN