

**ATAKEY PATATES GIDA  
SANAYİ VE TİCARET A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
AS OF DECEMBER 31, 2023**

**(Originally issued in Turkish)**



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**(Convenience translation of a report and financial statements originally issued in Turkish)**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Atakey Patates Gıda Sanayi ve Ticaret A.Ş.**

### **A) Report on the Audit of the Financial Statements**

#### **1) Opinion**

We have audited the financial statements of Atakey Patates Gıda Sanayi ve Ticaret A.Ş. (“the Company”), which comprise the statement of financial position as at December 31, 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

#### **2) Basis for Opinion**

We conducted our audit in accordance with the Independent Auditing Standards (“InAS”) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA) and adopted within the framework of Capital Markets Board (“CMB”) regulations. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the 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”) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with 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 Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key Audit Matters	How the key Audit matter was addressed in the audit
<b>Measurement of property, plant and equipment using revaluation method</b>	
<p>The Company uses revaluation model for subsequent measurement of machinery, and equipment in its financial statements. These assets were measured at their fair values as of 31 December 2023, based on the valuation reports prepared by an independent valuation firm.</p> <p>We have identified the measurement of property, plant and equipment using revaluation method as a key audit matter since property, plant and equipment comprises a significant part of the Company's total assets and the revaluation methods applied require significant judgments and assumptions.</p> <p>Disclosures regarding property, plant and equipment are disclosed in Note 2 and Note 9</p>	<p>Among others, the following procedures have been performed for the measurement of property, plant and equipment using revaluation method:</p> <ul style="list-style-type: none"><li>- The appropriateness of the Company's accounting policy for the revaluation of property, plant and equipment has been evaluated.</li><li>- We have evaluated the qualifications, competencies and independence of the valuation experts appointed by the Management.</li><li>- We have involved external valuation experts and also other valuation experts of a firm which is in our audit network to support us in our audit. Within this framework, it has been evaluated whether the estimations and assumption used in the valuation report and the valuation methods are appropriate and in accordance with TFRS requirements.</li><li>- For real estate, the data used in the calculation of the average comparable value calculated per square meter by the appraisal company has been compared with market conditions, and a sensitivity analysis has been performed on the total value.</li><li>- In addition, the adequacy of disclosures in Note 2 and Note 9 and conformity with TFRS have been evaluated.</li></ul>



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Key Audit Matters	How the key Audit matter was addressed in the audit
<b>Cash flow hedge</b>	
<p>The company is exposed to foreign currency risk due to the foreign currency loans it uses. As disclosed in Notes 2.7 and 27, the company uses its loans amounting to 11.069.553 Euros as a hedging instrument against the Euro spot rate risk it is exposed to due to the highly probable issuance proceeds. As a result of the 'effectiveness test' performed in this context, the company applies cash flow hedge accounting.</p> <p>The company book exchange rate gains and losses related to effectively designated loan transactions in equity as "hedge gains/(losses)". As of December 31, 2023, there is a loss of 9.249.364 TL after tax under the 'cash flow hedge gains/losses' account in equity.</p> <p>In our audit work, we have focused on this issue due to the following reasons:</p> <ul style="list-style-type: none"><li>- Due to recent macroeconomic conditions, particularly fluctuations in exchange rates, may significantly impact the company's currency risk and cash flow hedging transactions in its financial statements.</li><li>- The company's calculations for effectiveness tests for cash flow hedging operations involve significant management judgments and estimates, such as product prices and export-based sales quantities.</li><li>- Given the intrinsic uncertainties in such management estimates and the expertise required for effectiveness tests, the 'cash flow hedging operations' have been addressed as a key audit matter.</li></ul>	<p>Our audit procedures for cash flow hedge include understanding the accounting process for these transactions, confirming relevant loans with financial institutions, evaluating the potential for issuance proceeds to cover relevant foreign currency loans, detailed testing of completeness and accuracy of activity tests prepared by management and assessing management estimates and assumptions in these calculations with expert support. The possibility of the company's issuance revenues covering the loans that form the basis for the protection against cash flow risk has been examined based on the performance of past years and towards the future years, and it has been evaluated whether the export revenues cover the related loan repayments.</p> <p>The appropriateness of the hedge accounting documentation prepared by the company, the mathematical accuracy of the effectiveness tests, and the reasonableness of significant assumptions used in these tests have been assessed with the support of our experts. Key management assumptions such as product prices and export sales quantities that underpin future budget estimates used in the relevant effectiveness test have been compared with independent data sources based on past performance.</p> <p>The loans have been confirmed with confirmations received from financial institutions, current year's interest and exchange rate differences accruals have been recalculated in accordance with the relevant loan agreements, and their mathematical accuracy has been tested.</p> <p>Additionally, we have evaluated whether the footnote disclosures pertaining to these cash flow hedging operations adhere to the International Financial Reporting Standards ("IFRS").</p>



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Key Audit Matters	How the key Audit matter was addressed in the audit
<b>Application of the hyperinflationary accounting</b>	
<p>As stated in 2.1 to the financial statements, the Company has started to apply “TAS 29 Financial Reporting in Hyperinflation Economies” since the functional currency of the Company (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023.</p> <p>In accordance with TAS 29, financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Company utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1.</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Company, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"><li>- We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed,</li><li>- We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</li><li>- We have audited the restatements of corresponding figures as required by TAS 29,</li><li>- We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.</li></ul>

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the 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 standards on auditing as issued by the Capital Markets Board of Turkey and InAS 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 financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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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.

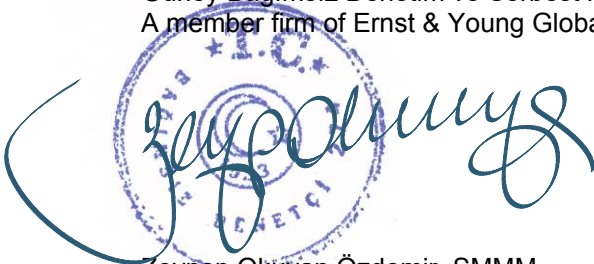
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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**

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on December 31, 2023.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Zeynep Okuyan Özdemir, SMMM  
Partner

18 March 2024  
İstanbul, Türkiye

# ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

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**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 DECEMBER 2023**

**STATEMENT OF FINANCIAL POSITION**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>ASSET</b>			
Cash and cash equivalents	3	875.837.500	144.742.155
Trade receivables			
<i>Trade receivables from related parties</i>	6,25	143.947.926	180.669.185
<i>Trade receivables from third parties</i>	6	51.559.242	87.197.861
Other receivables			
<i>Other receivables from third parties</i>		1.637.625	2.698.363
Inventories	7	1.048.426.689	868.441.286
Prepaid expenses	15	5.008.174	5.091.926
Other current assets	14	124.271.015	99.809.900
<b>Total Current Assets</b>		<b>2.250.688.171</b>	<b>1.388.650.676</b>
Other receivables			
<i>Other receivables from third parties</i>		1.476.056	2.432.141
Property, plant and equipment	7	1.590.119.446	1.302.612.781
Intangible assets	10	1.037.664	960.766
Right of use assets	11	6.355.988	6.699.057
Prepaid expenses	15	-	5.098
Derivative instruments		3.530.960	8.756.631
Deferred tax assets	27	237.127.785	240.772.984
<b>Total Non-Current Assets</b>		<b>1.839.647.899</b>	<b>1.562.239.458</b>
<b>TOTAL ASSETS</b>		<b>4.090.336.070</b>	<b>2.950.890.134</b>

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 DECEMBER 2023**

**STATEMENT OF FINANCIAL POSITION**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>LIABILITIES</b>			
Short-term borrowings	4	371.797.124	225.219.595
Current portion of long-term borrowings	4	172.346.942	416.961.611
Short-term lease liabilities	5	2.400.460	3.268.170
Trade payables			
<i>Trade payables to related parties</i>	6,25	4.374.470	598.042
<i>Trade payables to third parties</i>	6	357.987.650	289.207.331
Other payables			
<i>Other payables to related parties</i>	7	-	224.915
<i>Other payables to third parties</i>		-	359.660
Employee benefit payables	7	4.328.943	1.772.925
Short-term provisions			
<i>Provisions for employee benefits</i>	13	2.587.438	1.916.396
<i>Litigation provisions</i>	12	2.161.843	2.203.731
Deferred income	15	-	165.690.186
Current tax liabilities	24	10.798.315	14.650.805
Other current liabilities	14	2.500.808	1.644.716
<b>Total Current Liabilities</b>		<b>931.283.993</b>	<b>1.123.718.083</b>
Long-term borrowings	4	85.268.775	265.042.385
Long-term lease liabilities	5	1.522.889	2.084.924
Long-term provisions			
<i>Provisions for employee benefits</i>	13	5.096.089	4.684.053
<b>Total Non-Current Liabilities</b>		<b>91.887.753</b>	<b>271.811.362</b>
<b>EQUITY</b>			
Share capital	16	138.768.000	117.600.000
Adjustments to share capital	16	551.067.829	545.638.793
Share premium	16	896.126.123	-
Other comprehensive expenses not to be reclassified			
- Remeasurement losses of defined benefit plans		178.968	148.074
- Revaluation of property, plant and equipment	16	526.148.158	223.543.879
Other comprehensive losses to be reclassified under profit or losses			
- Cash flow hedge reserves	16	(120.048.498)	(110.799.134)
Retained earnings		779.229.077	(145.286.437)
Net profit for the period		295.694.667	924.515.514
<b>Total Equity</b>		<b>3.067.164.324</b>	<b>1.555.360.689</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4.090.336.070</b>	<b>2.950.890.134</b>

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 DECEMBER 2023**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

		1 January - Notes 31 December 2023	1 January - 31 December 2022
<b>Profit or loss</b>			
Revenue	18	2.548.196.200	2.146.194.192
Cost of sales (-)	18	(1.905.907.982)	(1.561.791.500)
<b>Gross profit</b>		<b>642.288.218</b>	<b>584.402.692</b>
General administrative expenses (-)	19	(82.201.838)	(30.228.037)
Other operating income	21	90.426.811	81.578.365
Other operating expenses (-)	21	(80.362.428)	(61.485.149)
<b>Operating profit</b>		<b>570.150.763</b>	<b>574.267.871</b>
Income related to investing activities	22	164.744.826	7.218.352
Expense related to investing activities (-)	22	(4.072.804)	(8.188.602)
<b>Operating profit before financial expenses</b>		<b>730.822.785</b>	<b>573.297.621</b>
Financial income	23	-	1.090.484
Financial expenses (-)	23	(362.552.839)	(188.995.989)
Monetary gain		30.583.931	567.259.382
<b>Earning / (Loss) before tax</b>		<b>398.853.877</b>	<b>952.651.498</b>
Tax income			
Current tax expense	24	(95.168.217)	(20.459.684)
Deferred tax income	24	(7.990.993)	(7.676.300)
<b>Net profit for the year</b>		<b>295.694.667</b>	<b>924.515.514</b>
Earning per share		2,13	7,86
<b>Other comprehensive income</b>			
<b>Items that will not to be reclassified subsequently to profit or loss:</b>			
Revaluation of defined benefit plans and measurement gains	13	42.104	185.092
Revaluation of defined benefit plans and measurement losses tax expense	24	(11.210)	(37.018)
Revaluation increase on property, plant and equipment	9	310.563.657	271.391.979
Tax expenses related to revaluation increase on property, plant and equipment	24	(7.959.378)	(47.848.100)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Cash flow hedging losses		(21.565.746)	(138.498.918)
Cash flow hedging losses tax income		12.316.382	27.699.784
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>		<b>293.385.809</b>	<b>112.892.819</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>589.080.476</b>	<b>1.037.408.333</b>

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

					Other comprehensive income / (expense) will be reclassified to <u>profit or loss</u>	Other comprehensive income / (expense) will not be reclassified to <u>profit or loss</u>				
	Notes	Share Capital	Adjustment to share capital	Share premium (*)	Cash flow hedging losses	Remeasurement of defined benefit liabilities	Revaluation of Property, Plant and Equipment	Net income for the period(loss)	Retained earnings	Total
<b>Balance at 1 January 2023</b>	<b>16</b>	<b>117.600.000</b>	<b>545.638.793</b>	-	<b>(110.799.134)</b>	<b>148.074</b>	<b>223.543.879</b>	<b>924.515.514</b>	<b>(145.286.437)</b>	<b>1.555.360.689</b>
Profit for the year		-	-	-	-	-	-	295.694.667	-	295.694.667
Other comprehensive expense		-	-	-	(9.249.364)	30.894	302.604.279	-	-	293.385.809
Total comprehensive profit		-	-	-	(9.249.364)	30.894	302.604.279	295.694.667	-	589.080.476
Increase due to share-based transactions		-	-	896.126.123	-	-	-	-	-	896.126.123
Capital increase		21.168.000	5.429.036	-	-	-	-	-	-	26.597.036
Transfers		-	-	-	-	-	-	(924.515.514)	924.515.514	-
<b>Balance at 31 December 2023</b>	<b>16</b>	<b>138.768.000</b>	<b>551.067.829</b>	<b>896.126.123</b>	<b>(120.048.498)</b>	<b>178.968</b>	<b>526.148.158</b>	<b>295.694.667</b>	<b>779.229.077</b>	<b>3.067.164.324</b>
<b>Balance at 1 January 2022</b>	<b>16</b>	<b>117.600.000</b>	<b>545.638.793</b>	-	-	-	-	-	<b>(145.286.437)</b>	<b>517.952.356</b>
Profit for the year		-	-	-	-	-	-	924.515.514	-	924.515.514
Other comprehensive expense		-	-	-	(110.799.134)	148.074	223.543.879	-	-	112.892.819
Total comprehensive profit		-	-	-	(110.799.134)	148.074	223.543.879	924.515.514	-	1.037.408.333
Transfers		-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>16</b>	<b>117.600.000</b>	<b>545.638.793</b>	-	<b>(110.799.134)</b>	<b>148.074</b>	<b>223.543.879</b>	<b>924.515.514</b>	<b>(145.286.437)</b>	<b>1.555.360.689</b>

(\*) The public offering of Atakey Patates Gıda Sanayi ve Ticaret A.Ş.. ("Company") shares took place at the Istanbul Stock Exchange using the "Fixed Price Demand Collection Method" between July 19-21, 2023 to raise the company's capital from TL 117.600.000 to TL 138.768.000, a total of 28.224.000 shares with a nominal value of TL 28.224.000 consisting of 21.168.000 shares with a nominal value of TL 21.168.000 to be increased due to the capital increase and 7.056.000 shares with a nominal value of TL 7.056.000 owned by the main partner TFI TAB Food Investments Inc., were offered to the public. As a result of the transactions attained during the public offering process, the emission premiums amounting to TL 814.968.000 as of the date of public offering have been added to the share issue premiums. The net effect of the increase arising from share-based transactions has been offset by the transaction costs amounting to TL 36.953.091 due to the public offering process as of the date of the public offering, and the relevant amount is TL 896.126.123 based on the purchase principle dated December 31, 2023.

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**STATEMENT OF CASH FLOWS**

**FOR THE ACCOUNTING PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	1 January - 31 December 2023	1 January- 31 December 2022
<b>Cash Flows From Operating Activities</b>			
Net profit for the period		295.694.667	924.515.514
<b>Adjustments related to reconciliation of net profit/(loss) for the period</b>		<b>702.557.718</b>	<b>84.511.408</b>
Depreciation and amortization expense	20	90.645.467	69.642.779
Adjustments for provisions			
provisions related to employee benefits		8.512.020	6.213.764
Adjustment related to provisions			
for litigation and/or penalties	12	1.896.485	2.317.055
Adjustments related to interest income and expenses			
Interest income	22	(122.185.774)	(2.005.088)
Adjustments regarding participation fee income	22	(20.488.773)	-
Interest expense	21	87.027.068	86.452.313
Deferred financial expense			
arising from credit purchases	23	8.791.410	4.592.852
Unearned finance income			
arising from credit sales	21	(19.707.053)	(9.104.396)
Depreciation and amortization on leases	11	4.952.123	2.993.710
Interest (expense) on leases, net	5	351.770	582.275
Foreign exchange expenses related to leasing transactions	5	-	(1.090.484)
Adjustments related to unrealized			
foreign currency translation differences		255.968.216	82.439.101
Adjustments related to derivative instruments		2.330.872	(7.634.377)
Provision for doubtful trade receivables	6	1.414.079	-
Adjustments related to tax income	24	103.159.210	28.135.984
Adjustments related to gain			
on disposal of property, plant and equipment		-	(1.082)
Monetary gain		299.890.598	(179.022.998)
<b>Changes in Working Capital</b>		<b>(580.882.508)</b>	<b>(380.108.009)</b>
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties		(44.830.077)	(68.037.599)
Increase in trade receivables from third parties		(1.774.989)	(76.337.760)
Adjustments related to increase in other current assets		(83.250.350)	(78.628.247)
Increase in inventories		(599.058.097)	(465.967.449)
Decrease in prepaid expenses		(1.557.665)	18.879.100
Increase in due to related parties		5.242.972	550.179
Increase in trade payables to third parties		260.634.029	185.995.155
Adjustments related to deferred revenues		(121.926.955)	102.923.777
Other payables / liabilities (decrease)/increase		5.638.624	(931.655)
(Decrease)/Increase in other receivables			
related to operations from third parties		-	1.446.490
<b>Cash Flows From Operations</b>		<b>(103.442.885)</b>	<b>(8.583.341)</b>
Income taxes paid	24	(99.020.707)	(6.555.900)
Employee benefits paid	13	(3.663.185)	(2.027.441)
Litigation paid	12	(758.993)	-

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>Cash Flows From Investing Activities</b>		<b>76.079.174</b>	<b>(55.777.773)</b>
Cash inflows from disposal of property, plant and equipment	9	-	13.116
Cash outflows from purchase of property, plant and equipment			
Cash outflows from purchase of property, plant and equipment	9	(66.223.860)	(57.368.007)
Cash outflows from purchase of intangible assets	10	(371.513)	(427.970)
Interest received	22	142.674.547	2.005.088
<b>Cash Flows From Financing Activities</b>		<b>569.275.353</b>	<b>(417.240.511)</b>
Capital increase		26.597.036	-
Net cash inflows resulting from share premium		896.126.123	-
Cash inflows from borrowings			
Cash inflows from loans	4	492.537.467	345.873.507
Cash outflows related to loan repayments			
Cash outflows related to loan repayments	4	(728.504.080)	(656.251.843)
Cash outflows related to letter of guarantee commission payments	4	(18.736.166)	(18.415.539)
Interest paid	4	(94.693.366)	(82.494.720)
Payments for lease transactions	11	(4.051.661)	(5.951.916)
<b>THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS</b>		<b>(228.186.174)</b>	<b>(11.918.174)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>731.095.345</b>	<b>135.399.114</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>3</b>	<b>144.742.155</b>	<b>9.343.041</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3</b>	<b>875.837.500</b>	<b>144.742.155</b>

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

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

## **NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY**

Atakey Patates Gıda Sanayi ve Ticaret A.Ş. (“the Company”) was established on 21 September 2012. The company's main activity is to provide potato production and supply for TAB Gıda brands, related subsidiaries operating in China, and third parties.

TFI TAB Gıda Yatırımları A.Ş. has purchased the shares from Ozgorkey Food Products Ind. and Trade Inc., which held 50% of the Company's shares, on June 28, 2019, and as of December 31, 2019, it became the party that holds the main control with the Company's main partner.

Within the framework of the company's plans to go public; The Initial Public Offering (IPO) Prospectus was approved by the Capital Markets Board on July 13, 2023. As of the amount on July 13, 2023, the Company has carried out its IPO in Borsa Istanbul Inc. with a size of TL 1.114.848.000, at a price of TL 39,50 each, using the "Fixed Price Demand Collection Method" between the dates of July 19-21, 2023. As of July 27, 2023, the company's paid-in capital reached TL 138.768.000. The “B” Company shares that were offered to the public started trading on Borsa Istanbul Inc. “Yıldız Pazar” on July 27, 2023.

As at 31 December 2023 the average number of personnel employed during the year is 229 (31 December 2022: 209).

The address of the Company is Dikilitaş mah. Emirhan cad. No:109 Atakule K:11 Beşiktaş/İstanbul.

### Approval of the financial statements

The financial statements were approved by the Board of Directors on March 18, 2024. These financial statements will be finalized upon approval at the General Assembly.

## **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

### **2.1 Basic Principles of Presentation**

#### **Principles of preparation of financial statements**

The accompanying financial statements are prepared in accordance with the 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 the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards. The financial statements of the Company are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company complies with the principles and conditions issued by the CMB, the TTC, tax legislation, and the Uniform Chart of Accounts conditions issued by the Ministry of Finance in keeping its accounting records and preparing its statutory financial statements. However, the financial statements are based on the Company's statutory records and are expressed in TL, and have been arranged by reflecting the necessary corrections and classification, including those related to changes in the purchasing power of the TL, to present the Company's status in accordance with TFRS.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(cont'd)**

**2.1 Basic Principles of Presentation(cont'd)**

**Financial reporting in hyperinflationary economy**

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

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

<b>Year end</b>	<b>Index</b>	<b>Index, %</b>	<b>Conversion Factor</b>
<b>2004</b>	113,86	13,86	16,33041
<b>2005</b>	122,65	7,72	15,16005
<b>2006</b>	134,49	9,65	13,82541
<b>2007</b>	145,77	8,39	12,75557
<b>2008</b>	160,44	10,06	11,58925
<b>2009</b>	170,91	6,53	10,87929
<b>2010</b>	181,85	6,40	10,22480
<b>2011</b>	200,85	10,45	9,25756
<b>2012</b>	213,23	6,16	8,72007
<b>2013</b>	229,01	7,40	8,11921
<b>2014</b>	247,72	8,17	7,50597
<b>2015</b>	269,54	8,81	6,89835
<b>2016</b>	292,54	8,53	6,35599
<b>2017</b>	327,41	11,92	5,67906
<b>2018</b>	393,88	20,30	4,72068
<b>2019</b>	440,50	11,84	4,22107
<b>2020</b>	504,81	14,60	3,68333
<b>2021</b>	686,95	36,08	2,70672
<b>2022</b>	1128,45	64,27	1,64773
<b>2023</b>	1859,38	64,77	1,00000



(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)**

### **2.1 Basic Principles of Presentation (cont'd)**

#### **Financial reporting in hyperinflationary economy**

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e. as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

#### **Functional and Reporting Currency**

The individual financial statements of each Company entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company is presented in Turkish Lira ("TL"), which is the functional currency of the Company and the presentation currency of the Company's financial statements.

#### **Comparative Information and Correction of Financial Statements from Previous Period**

To identify trends in financial position and performance, the Company's financial statements are prepared with comparative data from the previous period. To ensure consistency with the presentation of current period financial statements, comparative information is reclassified when necessary, and significant differences are disclosed. No reclassifications or corrections relating to the comparative period have been made in the accompanying financial statements.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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## **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)**

### **2.1 Basic Principles of Presentation (cont'd)**

#### **Offsetting**

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **2.2 Changes in Accounting Policies**

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Company has not made any changes in accounting policies in the current year.

### **2.3 Changes and Errors in Accounting Estimates**

If the changes in accounting estimates and errors are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. The Company has not changed any accounting estimates and no significant accounting policy errors have been identified in the current year.

### **2.4 New and Revised Turkish Accounting Standards**

As of 31 December 2023, the accounting policies adopted in preparation of the financial statements as of December 31, 2023, are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023, and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

#### **a) The new standard, amendments and interpretations effective as of January 1, 2023.**

##### **Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The amendments did not have a significant impact on the financial position or performance of the Company.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.4 New and Revised Turkish Accounting Standards (cont’d)**

#### **Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term ‘significant’ in TFRS, the POA decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Company.

#### **Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning liabilities should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Company.

#### **Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant impact on the financial position or performance of the Company.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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**NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4 New and Revised Turkish Accounting Standards (cont’d)**

**b) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

**TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024, with the announcement made by the POA

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The Company will wait until the final amendment to assess the impacts of the changes.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont’d)**

### **2.4 New and Revised Turkish Accounting Standards (cont’d)**

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The Company will wait until the final amendment to assess the impacts of the changes.

#### **Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The effects of the change on the Company’s financial position and performance are being evaluated.

### **2.5 Going Concern Assumption**

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies**

#### **Revenue**

The company's revenues are provided by potato production to related parties and other third parties. Revenues are presented net, including discounts. Indirect tax obtained from customers is excluded from the revenues and included in the tax payable until the tax liabilities is paid to the relevant authorities.

The company uses a five-step approach to reflect the idea of recognizing revenues in return for goods or services promised to be transferred to customers and what the company expects to be entitled for these goods or services, the steps are as follows:

- Step 1: Identify the contract(s) with a customer,
- Step 2: Identify the performance liabilities in the contract,
- Step 3: Determine the transaction price,
- Step 4: Allocate the transaction price to the performance liabilities in the contract,
- Step 5: Recognize revenue when (or as) the entity satisfies a performance liabilities.

Revenue from the sale of goods occurs when control related to the ownership of the product is transferred to the customer.

#### **Leasing Transactions**

##### ***The Company as Lessee***

The Company assesses whether a contract is, or contains, a lease at inception of the contract. The Company recognizes a right-of-use asset and the related lease liability for all leases in which it is the lessee, except for short-term leases (leases with lease terms of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes lease payments as an operating expense on a straight-line basis over the lease term unless there is another systematic basis that better reflects the timing of the economic benefits derived from the leased assets.

On initial recognition, lease liabilities are recognized at the present value of the lease payments outstanding at the inception of the lease, discounted at the lease rate. If this rate is not specified in advance, the Company uses an alternative borrowing rate determined by the Company.

Lease payments included in the measurement of the lease liability consist of the following:

- fixed lease payments (essentially fixed payments) less any lease incentives;
- variable lease payments that are linked to an index or rate, initially measured using an index or rate at the commencement date of the lease;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of payment options where the lessee can reasonably exercise the payment options; and
- penalty payment for cancellation of the lease if there is a right to cancel the lease during the lease period.

(Convenience translation of financial statements originally issued in Turkish)

**ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies**

#### **Leasing Transactions**

The lease liability is presented as a separate line item in the statement of financial position. Lease liabilities are subsequently measured by increasing the net carrying amount to reflect interest on the lease liability (using the effective interest method) and decreasing the net carrying amount to reflect the lease payment made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company has modified the contracts if needed during the periods presented.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date and other direct initial costs. These assets are subsequently measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with IAS 37 when the Company incurs costs necessary to dismantle and remove a lease asset, restore the site on which the asset is located, or restore the underlying asset in accordance with the terms and conditions of the lease. These costs are included in the related right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. The associated right-of-use asset is depreciated over the useful life of the underlying asset when the ownership of the underlying asset is transferred or when the Company plans to exercise a purchase option based on the cost of the right-of-use asset. Depreciation commences on the commencement date of the lease.

Right-of-use assets are presented as a separate line item in the statement of financial position.

The Company applies IAS 36 to determine whether right-of-use assets are impaired and recognizes any impairment losses as set out in the 'Property, Plant and Equipment' policy.

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies**

#### **Leasing Transactions**

Variable rents that are not linked to an index or rate are not included in the measurement of the lease liability and right-of-use asset. Related payments are recognized as an expense in the period in which the underlying event or events giving rise to the payments occur and are included in 'Other expenses' in the statement of profit or loss. As a practical expedient, TFRS 16 permits a lessee to recognize all leases and non-lease related items as a single lease contract and not to present the non-lease related items separately. The Company has not used this practical expedient.

#### **Effects of Exchange Rate Changes**

During the preparation of the company's financial statements, transactions in foreign currencies (currencies other than Turkish Lira) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the balance sheet are converted into Turkish Lira using the exchange rates applicable on the balance sheet date. Non-monetary items that are maintained at fair value and recorded in a foreign currency are converted into Turkish Lira based on the exchange rates on the date when the fair value was determined. Non-monetary items in foreign currencies that are measured in terms of historical cost are not subject to retranslation.

Currency differences, except those included in the costs of such assets, which are considered as adjustments to interest costs on debts denominated in a foreign currency and associated with assets under construction for future use, are accounted for in profit or loss in the period in which they arise.

#### **Borrowing Costs**

In the case of assets that take a substantial period of time to get ready for use or sale (qualifying assets), borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time the asset is substantially ready for its use or sale. Since the company does not have a qualifying asset, all borrowing costs incurred are recognized in the income statement in the period in which they occur.

#### **Inventories**

Inventories are valued at the lower of cost or net realizable value. Costs which include a portion of the fixed and variable overhead production costs are assessed according to the method appropriate for the class to which the stocks belong. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down to their net realizable value when their net realizable value drops below their cost, and a decrease in value is reflected in the income statement as an expense in the year it occurs.

If the conditions that previously caused the inventories to be written down to the net realizable value are no longer valid or if it is proven that there is an increase in the net realizable value due to changing economic conditions, the provision for the decrease in value is canceled. The amount canceled is limited to the previously allocated decrease in value.



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## **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Property, plant and equipment**

As of 31 December 2019, the Company has changed its accounting policies on plant, machinery and equipment, taking into account the more accurate and reliable presentation of transactions related to financial position, performance or cash flows. The Company has revalued the related items as of 31 December 2023 due to significant fluctuations in the fair value of plant, machinery and equipment. The Company has adopted the revaluation method for plant, machinery and equipment and the cost method for vehicles, fixtures and leasehold improvements.

Lands and plots held for the production or supply of goods or services, or for administrative purposes, buildings, facilities, machinery, and equipment are initially measured at cost, and are subsequently revalued at fair value in the statement of financial position, deducting accumulated depreciation and any subsequent accumulated impairment losses. Revaluation is carried out at regular intervals, ensuring the book values will not significantly differ from the values determined using fair values at the end of the reporting period. Revaluation increases resulting from the revaluation of said lands, buildings, machinery, and equipment, with the exception of reversing a previously accounted impairment loss, are accounted for in other comprehensive income and equity under the revaluation of tangible fixed assets. The decrease in book value resulting from revaluation is accounted for in profit or loss to the extent that it exceeds the balance kept in the revaluation of tangible fixed assets. Revaluation gains included in other comprehensive income are not subsequently reversed to profit or loss.

Assets under construction for leasing or administrative purposes, or for other purposes that are not yet determined, are presented at their cost less any impairment loss if any. Legal fees are also included in the cost. When the assets take a significant amount of time to be made ready for use, borrowing costs are capitalized in accordance with the Company's accounting policies. These assets are classified into the relevant tangible fixed asset item when their construction is completed and when they are ready for use. These types of assets, like other fixed assets, are subject to depreciation once they are ready for use.

Maintenance and repair expenses are recognized as expenses when incurred.

Land and plots are not subject to depreciation. Depreciation on revalued buildings, facilities, machinery, and equipment begins when they are ready for use and is reflected in profit or loss over their useful lives using the straight-line depreciation method. The gain or loss on the subsequent sale or disposal of a revalued tangible fixed asset item is determined as the difference between the sales revenue and the book value of the asset and is accounted for in profit or loss; under the chosen accounting policy, amounts carried in the revaluation fund relating to tangible fixed assets aren't transferred to prior year profits. Vehicles, fixtures, and furniture are reported at their cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, other than land and construction in progress, are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Property, plant and equipment (cont’d)**

An item of property, plant and equipment is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. According to the Company's choice of accounting policy, the revaluation surplus in the revaluation surplus fund is not transferred to retained earnings unless the asset is derecognized.

#### **Intangible Assets**

##### *Intangible assets acquired*

Acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their estimated useful lives.

The estimated useful lives and amortization method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis. Separately acquired intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

##### *Derecognition of intangible non-current assets*

An intangible non-current asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible non-current asset is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. This difference is recognized in profit or loss when the relevant asset is derecognized.

##### *Computer Software*

Purchased computer software is capitalized at the cost incurred during the time from acquisition to readiness for use. These costs are amortized over their useful lives (3-5 years).

Computer software development costs recognized as non-current assets are amortized over their useful lives (provided it does not exceed 3 years).

#### **Impairment of assets**

At each reporting date, the Company assesses whether there is any indication that an impairment loss has been recognized in respect of property, plant and equipment and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that are not available for use, the recoverable amount is estimated at each reporting date. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Summary of Significant Accounting Policies (cont’d)**

#### **Impairment of assets (cont’d)**

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses arising in this case are recognized in the income statement. However, if the related asset is revalued, the impairment loss is deducted from the revaluation reserve.

The increase in the carrying amount of the asset (or cash-generating unit) resulting from the reversal of an impairment loss should not exceed the carrying amount (net of amortization) that would have been determined had no impairment loss been recognized in prior years. The reversal of an impairment loss is recognized in the statement of profit or loss. Still, if the asset is revalued, the reversed impairment loss is added to the revaluation reserve.

Assets with indefinite lives, for example, goodwill, are not subject to amortization and are tested annually for impairment. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are Company at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date.

#### **Taxes Calculated on Corporate Earnings**

Income tax expense consists of current tax and deferred tax expense and income.

##### Current Tax

The current period tax liability is calculated on the taxable portion of the period profit. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

##### Deferred Tax

Deferred tax liabilities or assets are determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities shown in the financial statements and the amounts taken into consideration in the calculation of the legal tax base using the

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**NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.6 Significant accounting policies (cont’d)**

**Taxes Calculated on Corporate Earnings**

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company 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 taxable temporary differences associated with such investments and interests are 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 it is probable that the temporary differences will reverse in the foreseeable future.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and shares in partnerships, except in the cases where the Company can control the elimination of the temporary differences and it is probable that the difference will not be eliminated in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are recognized, provided that it is highly probable to benefit from these differences through sufficient taxable profit in the near future, and it is probable that the relevant differences will be eliminated in the future.

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

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 reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

*Current and deferred tax for the period*

Current and deferred tax associated with items credited or debited directly to equity (in which case the deferred tax relating to those items is also recognized directly in equity) are recognized as an expense or income in the statement of comprehensive income.

**Employee Benefits**

*Provision for Employee Termination Benefits*

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as defined retirement benefit plans in accordance with TAS 19 "Employee Benefits".

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Benefits Provided to Employees**

The retirement benefit liabilities recognized in the balance sheet represents the net present value of the defined benefit liabilities. The cost of providing defined benefit plans and other long-term employee benefits is determined by actuarial valuations performed at each balance sheet date using the projected unit credit method. Past service cost is recognized as an expense immediately when the benefit is earned, otherwise it is recognized equally over the period until the benefit is earned. The provision for employee termination benefits in the balance sheet represents the present value of the defined benefit liabilities as adjusted for past service cost. There is no funding requirement for defined benefit plans. All actuarial gains and losses are recognized in equity.

Payments made for defined contribution pension plans are recognized as an expense in the period in which the contributions are made. Payments to the Social Security Institution are treated as payments to defined contribution pension plans and the Company’s liabilities are similar to those of defined contribution pension plans. Payments to the Social Security Institution are mandatory. After making these payments, the Company has no further payment liabilities. Contributions are recognized as employee benefit expenses in the period in which the service is rendered.

#### **Financial Assets**

The Company classifies its financial assets as financial assets measured at amortized cost, financial assets at fair value through profit or loss, and financial assets accounted for under other comprehensive income. Classification is based on the business model used by the enterprise to manage its financial assets and liabilities and the characteristics of the cash flows associated with the financial asset/liability under the contract. The Company classifies its financial assets and liabilities at the date of acquisition.

Financial assets meeting the following conditions are subsequently measured at amortized cost:

- financial assets are held within a business model whose objective is to collect contractual cash flows, and
- contract terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The provision for doubtful receivables for trade receivables is calculated based on the expected credit loss model. The expected credit loss model on trade receivables is based on a provision matrix developed based on the debtor's past collection experience and the current financial position of the debtor.

The Company sets aside provisions for receivables when there is information indicating that the debtor is in serious financial difficulty and there is no realistic chance of recovery, for example, if the debtor is placed under liquidation or enters bankruptcy proceedings or if the maturity date of trade receivables is more than two years. None of the trade receivables for which provisions have been set aside is subject to enforcement activities.

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Financial Assets**

Financial assets meeting the following conditions are measured at fair value through other comprehensive income:

- financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- contract terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss:

Unless a financial asset is measured at amortized cost or fair value through other comprehensive income, it is measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are presented in the statement of financial position under the "derivative instruments" line item. Derivative instruments are accounted for as assets when their fair value is positive and as liabilities when it is negative. The Company's derivative instruments at fair value through profit or loss consist of interest rate fixing contracts.

#### **Hedging Accounting for Financial Risk**

The Company determines as a cash flow hedge transactions that aim to protect against fluctuations that can affect profit/loss and arise from a specific risk in the cash flows of a recognized asset, liability, or transaction that is highly probable and can be associated with a specific risk.

The Company reports gains and losses related to cash flows hedged against financial risk determined as effective in equity as "Gains/(Losses) from Cash Flow Hedges". The ineffective portion is defined as profit or loss in the period profit. If the financial risk hedging commitment or the estimated future transaction becomes a non-financial asset or liability, gains or losses related to these transactions tracked under equity items are withdrawn from these items and included in the acquisition cost or carrying value of the related asset or liability. Otherwise, the amounts accounted for under equity items are transferred to the income statement and reflected as revenue or expense in the period in which the hedged future estimated transaction affects the profit or loss statement.

If it is no longer expected that the estimated future transaction will occur, accumulated gains and losses previously accounted for under equity are transferred to the profit or loss statement. When the hedging instrument expires, is sold, terminated, or used, or the hedging definition is cancelled, without defining or extending another instrument in line with the previously documented hedging strategy, the gains and losses previously accounted for under other comprehensive income continue to be classified under equity until the firm commitment or estimated transaction affects the profit or loss statement.

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**NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.6 Significant accounting policies (cont’d)**

**Financial Liabilities**

The Company measures a financial liability at fair value on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial liabilities other than those at fair value through profit or loss are added to the fair value on initial recognition.

The Company classifies all financial liabilities as measured at amortized cost on subsequent recognition, except for the following:

- a) Financial liabilities at fair value through profit or loss: These liabilities, including derivatives, are measured at fair value on subsequent recognition.
- b) Financial liabilities arising when the transfer of a financial asset does not meet the derecognition criteria or when the continuing relationship approach is applied: When the Company continues to recognize an asset in the financial statements to the extent of its continuing involvement, it also recognizes a liability in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the entity continues to hold. The liability associated with the transferred asset is measured in the same way as the net carrying amount of the transferred asset.
- c) Contingent consideration recognized in the financial statements by the acquirer in a business combination to which IFRS 3 is applied: After initial recognition, changes in the fair value of such contingent consideration are measured at fair value through profit or loss.

The Company does not reclassify any financial liabilities.

*Derecognition of financial liabilities*

The Company derecognizes financial liabilities only when the Company’s liabilities are discharged, cancelled or expire. Any difference between the carrying amount of the financial liability derecognized and the amount paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial liabilities are classified as borrowings, trade payables, asset/(liabilities) arising from derivative instruments, financial liabilities at fair value through profit or loss, or other financial liabilities.

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits held at financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and current accounts at banks.

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**NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**

**2.6 Significant accounting policies (cont'd)**

**Trade Receivables**

Trade receivables arising from the provision of goods or services to the buyer are initially recognized at the original invoice amount and subsequently measured at amortized cost using the effective interest method. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. The "simplified approach" is applied in the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (less than 1 year). Under the simplified approach, when trade receivables are not impaired for specific reasons (other than realized impairment losses), the allowance for impairment losses on trade receivables is measured at an amount equal to "lifetime expected credit losses". Subsequent to the recognition of the allowance for impairment loss, if some or all of the impaired receivable amount is collected, the amount collected is recognized in other operating income, net of any impairment loss. Credit finance income/expenses and foreign exchange gains/losses on trade transactions are recognized in "Other operating income/expenses" in the statement of profit or loss.

**Trade Payables**

Trade payables represent obligatory payments for goods and services provided by suppliers for the ordinary activities of the Company. If the expected period for settlement of trade payables is one year or less (or longer but within the normal operating cycle of the entity), they are classified as current liabilities. Otherwise, they are classified as non-current liabilities.

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

**Provisions**

Provisions are recognized in the financial statements when there is a present liabilities arising from past events, the settlement of the liabilities is probable, and the amount of the liabilities can be reliably estimated.

The amount recognized as a provision is calculated by taking into account the risks and uncertainties associated with the liabilities, as the best estimate of the expenditure required to settle the liabilities as of the reporting date.

In cases where it is expected that part or all of the economic benefits required to settle the provision will be reimbursed by third parties, the amount to be recovered is recognized as an asset if it is virtually certain to be received and can be reliably measured.



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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Segment Reporting**

Operating segments are evaluated in parallel with the internal reporting and strategic segments presented to the bodies or persons authorized to make decisions regarding the Company's activities. For the purpose of making decisions regarding the resources to be allocated to these segments and evaluating the performance of the segments, the bodies and individuals who are authorized to make strategic decisions regarding the Company's operations are defined as the Company's senior management.

As of 31 December 2023 and 2022, the Company does not report segmental financial information since there are no different geographical regions and different types of operating segments followed by the Company management. Therefore, in accordance with the relevant provisions of TFRS 8, "Operating Segments", the Company has only one reportable operating segment and financial information is not reported by operating segments.

#### **Related Parties**

Related parties are persons or companies that are related to the entity preparing the financial statements (the reporting entity).

- (a) A person or a close member of that person's family is considered related to the reporting entity if:
- (i) the person has control or joint control over the reporting entity,
  - (ii) the person has significant influence over the reporting entity,
  - (iii) the person is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same Company (i.e., each parent, subsidiary, and fellow subsidiary is related to the others).
  - (ii) The entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity 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 entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also related to the reporting entity.
  - (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).

A transaction with a related party is a transfer of resources, services, or liabilities between the reporting entity and a related party, regardless of whether a price is charged.

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## **NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

### **2.6 Significant accounting policies (cont’d)**

#### **Capital and Dividends**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as a reduction of retained earnings in the period in which the dividend distribution is decided and classified as dividend payable.

#### **Events after the Reporting Period**

Subsequent events cover all events that occur between the reporting date and the date when the financial statements are authorized for issue, even if they occur after the announcement of any profit for the period or the public disclosure of other selected financial information.

The Company adjusts the amounts recognized in the financial statements if events requiring adjustment occur after the reporting date.

#### **Cash Flow Reporting**

In the statement of cash flows, cash flows are classified according to operating, investing and financing activities. Cash flows from operating activities represent cash flows used in operating activities and cash flows generated from operating activities of the Company. Cash flows from investing activities represent the cash flows used in and provided by investing activities (fixed asset investments and financial investments). Cash flows from financing activities represent the Company's use of resources in financing activities and the repayment of these resources. Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less.

### **2.7 Significant Accounting Judgments, Estimates and Assumptions**

In the process of applying the accounting policies described in Note 2.5, management has made the following judgements that have the most significant effect on the amounts recognized in the financial statements:

#### ***Revaluation model***

As at 31 December 2023, the Company has applied the revaluation method for machinery and equipment and appointed independent valuation experts. The fair value of machinery and equipment has been determined using the replacement cost approach. The determination of fair value at the revaluation date requires estimates and assumptions based on market conditions at the time of the revaluation. Changes in the Company's estimates or assumptions or changes in market conditions after the revaluation result in changes in the fair value of machinery and equipment. Please refer to Note 9 for details.

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## NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

### 2.7 Significant Accounting Judgments, Estimates and Assumptions (cont'd)

#### Useful lives of property, plant and equipment

The Company makes significant judgements in determining the useful lives of property, plant and equipment. The judgements are based on management's prior experience. The Company calculates depreciation and amortization over the estimated useful lives. Therefore, changes in useful lives will result in changes in future depreciation and amortization. Please refer to Note 9 for details.

#### Provision for Impairment on Trade Receivables

The Company sets aside a provision for doubtful receivables when it believes that it is doubtful to collect the full amount of the receivable. The amount of this provision is the difference between the carrying amount of the receivable and the collectible amount. The Company calculates the collectible amount based on the expected recoverability of its receivables at the customer and collateral level. For details, please refer to Note 6.

#### Deferred Taxes

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its statutory tax-based financial statements and those prepared under TFRS. These differences generally arise because certain income and expense items are recognized in different periods in the tax-based amounts and in the financial statements prepared under TFRS. The Company has deferred tax assets consisting of temporary differences which can be deducted from future profits. In the evaluation, future profit projections, current period losses, dates when unused losses and other tax assets can be used, and tax planning strategies that can be used when necessary are considered. For details, please refer to Note 24.

#### Cash Flow Hedging Transactions

As explained in Note 26, the Company uses investment loans amounting to 11.069.553 Euros as a hedging instrument against the Euro spot exchange rate risk due to highly probable export revenues, and as a result of the 'effectiveness test' conducted in this context, applies cash flow hedge accounting. The budget estimates used in these effectiveness tests, which relate to export revenues, are based on significant estimates and assumptions such as sales volumes, prices, and exchange rate expectations.

## NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	7.468	13.706
Demand deposits at bank	2.522.831	43.599.849
Time deposits at bank	873.307.201	101.128.600
	<b>875.837.500</b>	<b>144.742.155</b>

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**NOTE 3 - CASH AND CASH EQUIVALENTS (CONT'D)**

The details of time deposits at the bank are as follows:

<b>Currency Type</b>	<b>Interest Rate (%)</b>	<b>Maturity</b>	<b>31 December 2023</b>
TL	%30 - %46,5	29 March 2024	873.307.201
			<b>873.307.201</b>

<b>Currency Type</b>	<b>Interest Rate (%)</b>	<b>Maturity</b>	<b>31 December 2022</b>
TL	%11,5-%13,6	2 January 2023	101.128.600
			<b>101.128.600</b>

**NOTE 4 - BORROWINGS**

The details of the Company's financial liabilities as at 31 December 2023 and 31 December 2022 are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Short term bank borrowings	371.797.124	225.219.595
Current portion of long-term borrowings	172.346.942	416.961.611
<b>Total short-term borrowings</b>	<b>544.144.066</b>	<b>642.181.206</b>
Long-term bank borrowings	85.268.775	265.042.385
<b>Total long-term borrowings</b>	<b>85.268.775</b>	<b>265.042.385</b>
<b>Total borrowings</b>	<b>629.412.841</b>	<b>907.223.591</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
To be paid within 1 year	544.144.066	642.181.206
To be paid between 1-2 years	64.851.063	183.701.491
To be paid between 2-3 years	20.417.712	56.394.682
To be paid between 3-4 years	-	24.946.212
	<b>629.412.841</b>	<b>907.223.591</b>

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**NOTE 4 - BORROWINGS (cont’d)**

Details of the bank loans are as follows:

Currency Type	Weighted Average Effective Interest Rate	31 December 2023	
		Current	Non-current
TL	20,3%	59.067.997	-
Euro	6,9%	281.831.819	78.408.270
USD	8,3%	203.244.250	6.860.505
		<b>544.144.066</b>	<b>85.268.775</b>

Currency Type	Weighted Average Effective Interest Rate	31 December 2022	
		Current	Non-current
TL	%16,2	214.896.740	23.019.057
Euro	%4,4	427.284.466	242.023.328
		<b>642.181.206</b>	<b>265.042.385</b>

The movement of the Company's financial liabilities as at 31 December 2023 and 2022 is as follows:

	2023	2022
Opening balance as of 1 January	907.223.591	1.594.720.154
Purchases	492.537.467	345.873.507
Payments (-)	(728.504.080)	(656.251.843)
Exchange differences (Not 23)	255.968.216	82.439.101
Cash Flow Hedge Losses	21.565.746	138.498.918
Letter of guarantee commission payments	(18.736.166)	(18.415.539)
Interest payments	(94.693.366)	(82.494.720)
Interest expense (Not 23)	87.027.068	86.452.313
Monetary gain	(292.975.635)	(583.598.300)
<b>Closing balance at 31 December</b>	<b>629.412.841</b>	<b>907.223.591</b>

As of December 31, 2023, the financial commitments in the loan agreement related to the loan with a maturity of February 7, 2025, amounting to 148.153.137 TL (4.540.035 EURO) are as follows:

- (i) Max 3x Net Indebtedness / EBITDA ratio
- (ii) Min %20 EBITDA Margin

As of December 31, 2023 and 2022, the Company is fulfilling all of its financial commitments under the loan agreement.

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**NOTE 5 - LEASE LIABILITIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Short-term lease liabilities	(2.400.460)	(3.268.170)
<b>Total short-term lease liabilities</b>	<b>(2.400.460)</b>	<b>(3.268.170)</b>
Long-term lease liabilities	(1.522.889)	(2.084.924)
<b>Total long-term lease liabilities</b>	<b>(1.522.889)</b>	<b>(2.084.924)</b>
<b>Total lease liabilities</b>	<b>(3.923.349)</b>	<b>(5.353.094)</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
To be paid within 1 year	(2.400.460)	(3.268.170)
To be paid between 1-2 years	(1.419.365)	(1.837.251)
To be paid between 2-5 years	(103.524)	(247.673)
	<b>(3.923.349)</b>	<b>(5.353.094)</b>

The movement of the Company’s finance lease payables as at 31 December 2023 and 2022 is as follows:

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January	5.353.094	7.567.061
Purchases	4.901.232	6.175.549
Payments (-)	(4.051.661)	(5.951.916)
Exchange differences (Not 23)	-	(1.090.484)
Interest expense (Not 23)	351.770	582.275
Monetary gain	(2.631.086)	(1.929.391)
<b>Closing balance at 31 December</b>	<b>3.923.349</b>	<b>5.353.094</b>

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**NOTE 6 - TRADE RECEIVABLES AND PAYABLES**

**a) Trade Receivables and Notes Receivable**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade receivables	56.996.781	94.043.262
Trade receivables from related parties (Note 25)	143.947.926	180.669.185
Impairment provision for trade receivables (-)	(5.437.539)	(6.845.401)
	<b>195.507.168</b>	<b>267.867.046</b>

The average period for trade receivables, excluding related parties, is 34 days (December 31, 2022: 25 days). The average period for trade receivables from related parties is 52 days. (December 31, 2022: 67 days).

The movement table for the impairment provision related to trade receivables is as follows:

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January	(6.845.401)	(11.264.148)
Impairment provision for trade receivables	(1.414.079)	-
Collected provisions	70.214	14.278
Monetary gain	2.751.727	4.404.469
	<b>(5.437.539)</b>	<b>(6.845.401)</b>

**b) Trade Payables**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade payables	357.987.650	289.207.331
Trade payables to related parties (Note 25)	4.374.470	598.042
	<b>362.362.120</b>	<b>289.805.373</b>

The average term for trade payables, excluding related parties, is 74 days (December 31, 2022: 107 days).

Trade receivables and payables have been presented by discounting with the effective interest method. The effective interest rate of 37.22% (December 31, 2022: 20.83%) was based to determine the value of trade receivables and payables. The doubtful receivables provision allocated for trade receivables has been determined based on past non-collection experience.

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**NOTE 7 – OTHER RECEIVABLES AND PAYABLES**

**a) Other Receivables**

<b><u>Short-term other receivables</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Incentive accruals (*)	1.637.625	2.698.363
	<b>1.637.625</b>	<b>2.698.363</b>
<b><u>Long-term other receivables</u></b>		
Incentive accruals (*)	1.476.056	2.432.141
	<b>1.476.056</b>	<b>2.432.141</b>

(\*) Incentive accruals consist of Central Bank Export Incentive receivables.

**b) Other Payables**

<b><u>Short-term other payables</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade payables to related parties (Not 25)	-	224.915
Received deposits and guarantees	-	326.003
Other	-	33.657
	-	<b>584.575</b>

Explanations regarding the nature and level of risks in other receivables and liabilities have been made in Note 25.

**NOTE 8 - INVENTORIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Finished goods	652.947.877	657.944.819
Raw materials	370.514.034	184.693.343
Semi-finished goods	13.607.540	6.956.907
Trade goods	10.146.191	17.594.727
Other inventories	1.211.047	1.251.490
	<b>1.048.426.689</b>	<b>868.441.286</b>

The cost of stock recognized in the cost of sales is TL 1.454.014.363 (December 31, 2022: TL 1.043.515.635).



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**NOT 9 - PROPERTY, PLANT AND EQUIPMENT**

	<b>Lands</b>	<b>Land improvements</b>	<b>Buildings</b>	<b>Plant Machinery and Equipment</b>	<b>Vehicles</b>	<b>Furniture &amp; Fixture</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening balance as of								
1 January 2023	255.833.025	58.125.153	513.156.213	1.225.076.343	16.514.874	64.371.428	1.091.216	2.134.168.252
Additions	-	1.595.258	2.507.632	57.774.933	547.993	3.440.420	357.624	66.223.860
Revaluation gain	167.214.975	4.674.288	127.443.105	126.096.804	-	-	-	425.429.172
<b>Closing balance on</b>								
<b>31 December 2023</b>	<b>423.048.000</b>	<b>64.394.699</b>	<b>643.106.950</b>	<b>1.408.948.080</b>	<b>17.062.867</b>	<b>67.811.848</b>	<b>1.448.840</b>	<b>2.625.821.284</b>
<b>Accumulated Depreciation:</b>								
Opening balance as of								
1 January 2023	-	(28.148.015)	(185.352.026)	(563.185.086)	(15.070.440)	(39.799.904)	-	(831.555.471)
Charge for the period	-	(4.527.272)	(7.797.679)	(74.086.824)	(597.146)	(2.271.931)	-	(89.280.852)
Revaluation gain	-	(2.387.246)	(47.342.553)	(65.135.716)	-	-	-	(114.865.515)
<b>Closing balance on</b>								
<b>31 December 2023</b>	<b>-</b>	<b>(35.062.533)</b>	<b>(240.492.258)</b>	<b>(702.407.626)</b>	<b>(15.667.586)</b>	<b>(42.071.835)</b>	<b>-</b>	<b>(1.035.701.838)</b>
<b>Net Book Value</b>	<b>423.048.000</b>	<b>29.332.166</b>	<b>402.614.692</b>	<b>706.540.454</b>	<b>1.395.281</b>	<b>25.740.013</b>	<b>1.448.840</b>	<b>1.590.119.446</b>

Depreciation expenses amounting to TL 70.104.759 is included in cost of sales and TL 1.039.565 is included in general administrative expenses and TL 18.136.528 is included in the other expenses from main operations

As of December 31, 2023, there are no capitalized finance costs on fixed assets. (31 December 2022: None).

As of December 31, 2023, the net book value of the lands, plots, underground and above-ground arrangements, and buildings that are subject to mortgage related to the loans received is TL 854.994.858 (2022: 613.614.350)

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**NOT 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	<b>Lands</b>	<b>Land improvements</b>	<b>Buildings</b>	<b>Plant Machinery % Equipment</b>	<b>Vehicles</b>	<b>Furniture &amp; Fixture</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening balance as of								
1 January 2022	127.227.089	32.349.462	320.496.968	1.161.757.230	15.760.481	63.318.298	1.091.216	1.722.000.744
Additions	-	-	2.216.814	53.343.670	754.393	1.053.130	-	57.368.007
Disposals	-	-	(13.620)	-	-	-	-	(13.620)
Revaluation gain	128.605.936	25.775.691	190.456.051	9.975.443	-	-	-	354.813.121
<b>Closing balance as of</b>								
<b>31 December 2023</b>	<b>255.833.025</b>	<b>58.125.153</b>	<b>513.156.213</b>	<b>1.225.076.343</b>	<b>16.514.874</b>	<b>64.371.428</b>	<b>1.091.216</b>	<b>2.134.168.252</b>
<b>Accumulated Depreciation:</b>								
Opening balance as of								
1 January 2022	-	(13.045.687)	(110.848.551)	(504.392.259)	(14.234.257)	(37.924.658)	-	(680.445.412)
Charge for the period	-	(2.606.570)	(5.991.425)	(56.381.079)	(836.183)	(1.875.246)	-	(67.690.503)
Disposals	-	-	1.586	-	-	-	-	1.586
Revaluation gain	-	(12.495.758)	(68.513.636)	(2.411.748)	-	-	-	(83.421.142)
<b>Closing balance as of</b>								
<b>31 December 2022</b>	<b>-</b>	<b>(28.148.015)</b>	<b>(185.352.026)</b>	<b>(563.185.086)</b>	<b>(15.070.440)</b>	<b>(39.799.904)</b>	<b>-</b>	<b>(831.555.471)</b>
<b>Net Book Value</b>	<b>255.833.025</b>	<b>29.977.138</b>	<b>327.804.187</b>	<b>661.891.257</b>	<b>1.444.434</b>	<b>24.571.524</b>	<b>1.091.216</b>	<b>1.302.612.781</b>

Depreciation and write-off expenses of 53.151.670 TL have been included in the cost of sales, 788.172 TL in general administrative expenses, and 13.750.661 TL in other operating expenses.

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)**

The depreciation periods for property, plant and equipment are as follows:

	<u>Useful Life</u>
Land improvements	5-50 years
Buildings	50 years
Machinery and equipment	2-21 years
Vehicles	5 years
Furniture & Fixture	2-20 years

**The fair value measurements of the Company's tangible fixed assets**

The Company has chosen the revaluation model from the application methods in TMS 16 in terms of showing the fair values of its land and plots, underground and above-ground arrangements, buildings, and plant machinery and equipment. The related assets have been revalued using the "comparable market method" and "cost method" as of December 31, 2023, and the works have been conducted by Kale Real Estate Valuation and Consultancy Inc., a valuation company authorized by the Capital Markets Board. The fair values, determined in these valuations, of the land and plots, underground and above-ground arrangements, buildings, and plant machinery and equipment have been reflected in the financial statements dated December 31, 2023.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Land	-	423.048.000	-
Land improvements	-	29.332.166	-
Buildings	-	402.614.692	-
Machinery, Equipment and Installations	-	706.540.454	-
	-	<b>1.561.535.312</b>	-

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Tangible Fixed Assets	Valuation Techniques	Significant unobservable input	Sensitivity
Lands	Market Approach Method	Valuation experts have used price adjustments per square meter based on the most recent transactions, taking into account the characteristics of the spaces subject to the valuation.	The decision by valuation experts to make corrections affects the fair value of the property. A significant increase in the price per square meter of land will result in a significant increase or decrease in the fair value.
Buildings, Land improvements	Cost Approach	Estimates by valuation experts and past experiences related to the cost of rebuilding the buildings and the depreciation rates used in the valuation have been used.	The decision by the valuation experts, based on past experience, influences the fair value of the real estate. An increase in the reconstruction cost will result in an increase in the fair value.
Machinery, Equipment and Installations	Cost Approach	In the appraisal, estimates by the valuation expert and depreciation rates have been used..	The decision of the valuation expert, based on past experiences, impacts the fair value of plant, machinery and equipment. A change in the foreign currency and inflation index will lead to an increase or decrease in the fair value.

The fair values of buildings, plant machinery and equipment have been determined using cost approach methods. Valuations for buildings were made by valuers based on the prices in the registered databases of real estates with similar structure, location and conditions. As for plant machinery and equipment, valuations have been made using the cost method with a 50% foreign exchange rate and a 50% inflation index rate. A value increase of TL 310.563.657 within the year 2023 for lands, plots, underground and above-ground arrangements, buildings and machinery and equipment has been accounted for within other comprehensive income. The revaluation fund of tangible fixed assets in equities cannot be subjected to distribution legally.

For fair value calculations for revalued lands;

<b>Significant unobservable inputs:</b>	<b>Price Range</b>
Price per square meter	2.700 TL

For fair value calculations for revalued machinery and equipment;

Depreciation rates (*)	25%-90%
Scrap value rates	9%

(\*) Represents the range of depreciation rates used for the majority of plants, machinery and equipment.

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**NOT 10 - INTANGIBLE ASSETS**

	<b>Rights, Licenses and Computer Software</b>	
	<b>2023</b>	<b>2022</b>
<b>Cost:</b>		
Opening balance as of 1 January 2023	4.955.695	4.527.725
Additions	371.513	427.970
<b>Closing balance as of 31 December</b>	<b>5.327.208</b>	<b>4.955.695</b>
<b>Accumulated Amortization:</b>		
Opening balance as of 1 January	(3.994.929)	(3.871.421)
Charge for period	(294.615)	(123.508)
<b>Closing balance as of 31 December</b>	<b>(4.289.544)</b>	<b>(3.994.929)</b>
<b>Net Book Value</b>	<b>1.037.664</b>	<b>960.766</b>

Depreciation expenses of intangible fixed assets of TL 231.336 (2022: TL 96.980) have been included in the cost of goods sold, TL 59.849 of general administrative expense (2022: TL 25.090), TL 3.430 (2022: TL 1.438) other expense from operations.

The economic life of rights is 15 years, and for computer software and licenses, it is 3 years. Intangible fixed asset items have been depreciated in a manner consistent with useful life using the straight-line depreciation method.

**NOTE 11 - RIGHT OF USE ASSETS**

	<b>Vehicles</b>	<b>Total</b>
<b>Cost:</b>		
Opening balance as of 1 January 2023	11.289.717	11.289.717
Additions	4.901.232	4.901.232
Disposals	(2.891.566)	(2.891.566)
<b>Closing balance as of 31 December 2023</b>	<b>13.299.383</b>	<b>13.299.383</b>
<b>Accumulated Amortization:</b>		
Opening balance as of 1 January 2023	(4.590.660)	(4.590.660)
Charge of period	(4.952.123)	(4.952.123)
Disposals	2.599.388	2.599.388
<b>Closing balance as of 31 December 2023</b>	<b>(6.943.395)</b>	<b>(6.943.395)</b>
<b>Net Book Value</b>	<b>6.355.988</b>	<b>6.355.988</b>

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**NOTE 11 - RIGHT OF USE ASSETS (Cont'd)**

	<b>Vehicles</b>	<b>Total</b>
<b>Cost:</b>		
Opening balance as of 1 January 2022	9.043.913	9.043.913
Additions	6.175.549	6.175.549
Disposals	(3.929.745)	(3.929.745)
<b>Closing balance as of 31 December 2022</b>	<b>11.289.717</b>	<b>11.289.717</b>
<b>Accumulated Amortization:</b>		
Opening balance as of 1 January 2022	(5.526.695)	(5.526.695)
Charge for the period	(2.993.710)	(2.993.710)
Disposals	3.929.745	3.929.745
<b>Closing balance as of 31 December 2022</b>	<b>(4.590.660)</b>	<b>(4.590.660)</b>
<b>Net Book Value</b>	<b>6.699.057</b>	<b>6.699.057</b>

The average term for vehicle lease agreements is 32 months.

<b>Accounted for in profit or loss</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Depreciation expense on right-of use assets	(4.952.123)	(2.993.710)
Interest expense on lease liabilities	(351.770)	(582.275)
Foreign exchange gain on lease liabilities (net)	-	1.090.484
Expenses related to variable lease payments not included in the measurement of lease liabilities	(1.156.174)	(27.853.341)
<b>Total</b>	<b>(6.460.067)</b>	<b>(30.338.842)</b>

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Fixed payments	4.051.661	5.951.916
Variable payments	1.156.174	27.853.341
<b>Total</b>	<b>5.207.835</b>	<b>33.805.257</b>

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**NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Litigation provisions:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Litigation provisions	2.161.843	2.203.731
	<b>2.161.843</b>	<b>2.203.731</b>

The movement of provisions for litigation is as follows:

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January 2022	2.203.731	1.283.352
Charged for the period	1.896.485	2.317.055
Litigation paid	(758.993)	-
Monetary gain	(1.179.380)	(1.396.676)
<b>Closing balance as of 31 December</b>	<b>2.161.843</b>	<b>2.203.731</b>

**b) Guarantees, pledges and mortgages:**

**31 December 2023**

<b>GPMs given by the Company (Guarantees – Pledges – Mortgages)</b>	<b>Total TL Equivalents</b>	<b>USD</b>	<b>EUR</b>	<b>TL</b>
A. Given in the Name of Its Own				
Legal Entity Total amount of GPMs	2.233.803.729	15.108.000	50.662.451	138.777.791
-Guarantees	724.780.329	8.108.000	10.662.451	138.777.791
-Mortgage	1.509.023.400	7.000.000	40.000.000	-
B. Included in the scope of full consolidation				
Given in favor of included companies				
GPM's given Total Amount	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary trade activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
<b>Total</b>	<b>2.233.803.729</b>	<b>15.108.000</b>	<b>50.662.451</b>	<b>138.777.791</b>

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**NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**

**31 December 2022**

<b>GPMs given by the Company (Guarantees – Pledges – Mortgages)</b>	<b>Total TL Equivalentents</b>	<b>USD</b>	<b>EUR</b>	<b>TL</b>
A. . Given in the Name of Its Own				
Legal Entity Total amount of GPMs	3.905.552.204	7.000.000	52.066.317	1.976.937.750
-Guarantees	751.832.551	-	12.866.317	329.208.564
-Mortgages	3.153.719.653	7.000.000	39.200.000	1.647.729.186
B. Included in the scope of full consolidation				
Given in favor of included companies				
GPM's given Total Amount	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary trade activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
<b>Total</b>	<b>3.905.552.204</b>	<b>7.000.000</b>	<b>52.066.317</b>	<b>1.976.937.750</b>

**NOTE 13 – EMPLOYEE BENEFITS**

**a) Provisions related to employee benefits:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Social security premiums payable	4.019.120	1.706.955
Payables to personnel	309.823	65.970
	<b>4.328.943</b>	<b>1.772.925</b>

**b) Provisions:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Unused vacation provision	2.587.438	1.916.396
Retirement pay provision	5.096.089	4.684.053
	<b>7.683.527</b>	<b>6.600.449</b>

**c) Unused vacation provision:**

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January	1.916.396	1.834.061
Increase during the period	3.195.655	2.132.030
Paid during the period (-)	(1.334.015)	(1.156.715)
Monetary loss/gain	(1.190.598)	(892.980)
<b>Closing balance at 31 December</b>	<b>2.587.438</b>	<b>1.916.396</b>



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**NOTE 13 – EMPLOYEE BENEFITS (cont’d)**

**d) Retirement pay provision:**

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men). Certain transitional provisions related to the pre-retirement service period have been excluded from the law due to the change in the related law as of 23 May 2002. Accordingly, the Company is required to make lump-sum termination indemnities to each employee who retired or terminated at the date of retirement. The payment depends on the number of years the individual has been employed by the Company.

Employment termination benefits are not legally subject to any funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable liabilities of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires actuarial valuation methods to be developed to estimate the enterprise's liabilities under defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as at 31 December 2023 are calculated by estimating the present value of the future probable liabilities of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of 20,82% and an interest rate of 25,05%, resulting in a real discount rate of approximately 3.50% (31 December 2022: 3.50%). Voluntary termination rates are also taken into consideration as 10,04% for employees with 0-15 years of service and 0% for employees with 16 or more years of service. The maximum amount of TL 35.058,58 effective from 1 January 2024 has been taken into consideration in the calculation of the Company's provision for employment termination benefits (1 January 2023: TL 19.982,83).

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January	4.684.053	3.625.243
Service cost	5.186.287	3.987.607
Interest cost	130.078	94.127
Actuarial gain	(42.104)	(185.092)
Retirements benefits paid (-)	(2.329.170)	(870.726)
Monetary gain/loss	(2.533.055)	(1.967.106)
<b>Closing balance as of 31 December</b>	<b>5.096.089</b>	<b>4.684.053</b>

**NOTE 14 - OTHER ASSETS AND LIABILITIES**

<b>Other Current Assets</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
VAT carried forward	124.247.387	99.765.352
Other	23.628	44.548
	<b>124.271.015</b>	<b>99.809.900</b>

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**NOTE 14 - OTHER ASSETS AND LIABILITIES (cont'd)**

<b><u>Short-Term Liabilities</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Taxes and funds payable	2.500.808	1.644.716
	<b>2.500.808</b>	<b>1.644.716</b>

**NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES**

<b><u>Short-Term Contract Liabilities</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Advances received from customers (*)	-	165.690.186
	<b>-</b>	<b>165.690.186</b>

(\*) Order advances received from Fasdat Food Distribution Ind. Inc. consist of liabilities related to the contract within the scope of TFRS 15. The received advances are initially accounted for as advances in the financial status report and are offset against sales made in the subsequent period.

<b><u>Short-Term Prepaid Expenses</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Advances given	3.378.870	2.219.893
Order advances given	1.607.756	2.825.066
Business advances given	21.548	46.967
	<b>5.008.174</b>	<b>5.091.926</b>

<b><u>Long Term Prepaid Expenses</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Prepaid expenses	-	5.098
	<b>-</b>	<b>5.098</b>

**NOTE 16 - Equity**

**a) Equity:**

The paid-in capital structure of the Company as of 31 December 2023 and 31 December 2022 is as follows:

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Share (%)</b>	<b>TL</b>	<b>Share (%)</b>	<b>TL</b>
TFI TAB Gıda Yatırımları A.Ş.	79,7	110.544.000	100,0	117.600.000
Publicly traded	20,3	28.224.000	-	-
<b>Nominal Capital</b>	<b>100</b>	<b>138.768.000</b>	<b>100</b>	<b>117.600.000</b>
Inflation adjustment		551.067.829		545.638.793
<b>Adjusted Capital</b>		<b>689.835.829</b>		<b>663.238.793</b>

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**NOTE 16 – EQUITY (Cont’d)**

**b) Legal Reserves**

The legal reserves represent restricted reserves appropriated from profit. The legal reserves consist of the 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 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.

**c) Analyses of Other Comprehensive Income Items**

As of 31 December 2023 and 31 December 2022, revaluation measurement gains in accordance with TAS 16 and all actuarial gains and losses calculated in accordance with TAS 19, which are recognized in other comprehensive income, net of deferred tax effect are as follows:

<b><u>Not to be reclassified to profit or loss</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Gain on revaluation and measurement	526.148.158	223.543.879
Loss on remeasurement of defined benefit plans	178.968	148.074
	<b>526.327.126</b>	<b>223.691.953</b>
<b><u>To be reclassified to profit or loss</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash flow hedging losses	(120.048.498)	(110.799.134)
	<b>(120.048.498)</b>	<b>(110.799.134)</b>

The company's statement regarding the equity accounts adjusted in accordance with TMS 29, prepared in reference to the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

<b>Equity</b>	<b>PPI Indexed Legal Records</b>	<b>CFI Indexed Legal Records</b>	<b>Differences to be Followed in past Years' Profit</b>
Equity adjustment differences	662.737.147	551.067.829	111.669.318

**Prior Year Profits**

The statement related to the adjusted past year profit calculations, which the company has prepared in accordance with TMS 29, based on the Capital Market Board Bulletin published on March 7, 2024, is as follows:

<b>Prior Year Profits</b>	<b>Pre-Inflation Amount</b>	<b>Post-Inflation Amount</b>
1 January 2023	267.553.256	779.229.077
1 January 2022	(178.516.186)	(88.173.735)

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**NOTE 17 – SHARE BASED PAYMENTS**

The calculation of earnings per share and diluted earnings per share attributable to equity holders of the parent company are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Net profit attributable to equity holders of the parent company	295.694.667	924.515.514
Weighted average number of shares outstanding during the period	126.705.240	117.600.000
<b>Earnings per share</b>	<b>2,33</b>	<b>7,86</b>

**NOTE 18 – REVENUE AND COST OF SALES**

**a) Revenue**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Sales	2.563.330.068	2.156.758.369
Sales return (-)	(15.133.868)	(10.564.177)
	<b>2.548.196.200</b>	<b>2.146.194.192</b>

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Sales in Turkey	2.152.029.551	1.423.051.895
Export sales	396.166.649	723.142.297
	<b>2.548.196.200</b>	<b>2.146.194.192</b>

**b) Cost of sales**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Raw materials	(1.454.014.363)	(1.043.515.635)
General production expenses	(167.797.352)	(222.994.540)
Personnel expenses	(83.315.407)	(50.401.338)
Depreciation expenses (Note: 9,10)	(71.390.460)	(54.939.992)
Transportation expenses	(62.147.515)	(68.573.433)
Cost of goods sold	(20.998.962)	(46.271.513)
Depreciation and redemption shares from leasing transactions	(4.793.376)	(2.782.135)
Insurance expenses	(2.795.955)	(2.098.039)
Maintenance and repair expenses	(1.638.921)	(1.644.164)
Rent expenses	(1.825.344)	(36.626.934)
Fuel expenses	(1.959.425)	(1.543.400)
Stamp, fee and other tax expenses	(1.077.143)	(915.124)
Other	(32.153.759)	(29.485.253)
	<b>(1.905.907.982)</b>	<b>(1.561.791.500)</b>

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**NOTE 19 – GENERAL ADMINISTRATION EXPENSES**

**a) General administrative expenses**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Consultancy expenses	(39.700.541)	(2.539.230)
Personnel expenses	(28.540.888)	(13.710.797)
Office and general administrative expenses	(2.881.861)	(2.063.221)
Electricity and fuel expenses	(1.921.010)	(2.623.724)
Insurance expenses	(1.398.275)	(2.499.856)
Doubtful receivables provisions	(1.343.865)	-
Litigation provisions (Not: 12)	(1.137.492)	(2.317.055)
Depreciation and amortization expenses (Not: 9; 10)	(1.058.630)	(927.036)
Depreciation and amortization expenses from lease transactions	(158.747)	(211.575)
Duties, fees and other tax expenses	(454.063)	(959.224)
Rent expenses	(262.710)	(731.671)
Other	(3.343.756)	(1.644.648)
	<b>(82.201.838)</b>	<b>(30.228.037)</b>

**NOTE 20 – EXPENSE BY NATURE**

The details of depreciation, amortization and depletion expenses by expense accounts are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Cost of sales	(71.390.460)	(54.939.992)
General administrative expenses	(1.058.630)	(927.036)
Other expenses	(18.196.377)	(13.775.751)
	<b>(90.645.467)</b>	<b>(69.642.779)</b>

The breakdown of amortization expenses related to rights of use by expense accounts is as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Cost of sales	(4.793.376)	(2.782.135)
General administrative expenses	(158.747)	(211.575)
	<b>(4.952.123)</b>	<b>(2.993.710)</b>

The details of personnel expenses by expense accounts are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Cost of sales	(83.315.407)	(50.401.338)
General administrative expenses	(28.540.888)	(13.710.797)
	<b>(111.856.295)</b>	<b>(64.112.135)</b>

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**NOTE 21 – OTHER OPERATING INCOME AND EXPENSES**

**a) Other operating income**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Foreign exchange gain from trade receivables	60.540.264	57.811.986
Rediscount income	19.707.053	9.104.396
Government incentives for export	1.644.324	6.460.672
Other	8.535.170	8.201.311
	<b>90.426.811</b>	<b>81.578.365</b>

**b) Other operating expense**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Foreign exchange losses from trade payables	(25.215.428)	(13.819.734)
Non-operating part expense	(22.882.637)	(27.473.896)
Non-operating part depreciation expense	(18.196.377)	(13.775.751)
Rediscount expense	(8.791.410)	(4.592.852)
Other	(5.276.576)	(1.822.916)
	<b>(80.362.428)</b>	<b>(61.485.149)</b>

**NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

**a) Income from investing activities**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Interest income	122.185.774	2.005.088
Foreign exchange gains related to investing activities	22.070.279	5.212.182
Participation share revenue	20.488.773	-
Profit from fixed asset sales	-	1.082
	<b>164.744.826</b>	<b>7.218.352</b>

**b) Expense from investing activities**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Foreign exchange losses related to investing activities	(3.957.948)	(8.188.602)
Other	(114.856)	-
	<b>(4.072.804)</b>	<b>(8.188.602)</b>

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**NOTE 23 – FINANCE INCOME AND FINANCE EXPENSES**

**a) Finance income**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Foreign exchange gains related to financial lease liabilities	-	1.090.484
	-	<b>1.090.484</b>

**b) Finance expense**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Foreign exchange losses from financial liabilities	(255.968.216)	(82.439.101)
Interest expense	(87.027.068)	(86.452.313)
Letter of guarantee commissions	(18.736.166)	(18.415.539)
Foreign exchange losses related to lease liabilities	(351.770)	(582.275)
Other financing expenses	(469.619)	(1.106.761)
	<b>(362.552.839)</b>	<b>(188.995.989)</b>

**NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Current tax expense	(95.168.217)	(20.459.684)
Deferred tax income	(7.990.993)	(7.676.300)
	<b>(103.159.210)</b>	<b>(28.135.984)</b>

Corporate Tax

The Company is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the current period.

The corporate tax to be accrued on the taxable corporate income is calculated based on the remaining tax base after adding non-deductible expenses to the taxable base, which is determined by deducting expenses written for commercial gain, and then subtracting dividends received from resident companies, exempt income and investment deductions used.

As of 31 December 2023, the statutory tax rate is 25% (31 December 2022: %23).

In Turkey, advance tax is payable on a quarterly basis. Taxes are payable at the statutory corporate tax rate.

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**NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)**

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income.

In Turkey, there is no definite and definitive reconciliation procedure for tax assessments. Companies file their tax returns between 1-25 April of the year following the close of the accounting period of the relevant year (between 1-25 of the fourth month following the close of the period for those with special accounting periods). These tax returns and the underlying accounting records can be reviewed and amended by the tax office within 5 years.

**Tax Advantages Obtained Within the Scope of Investment Incentive System:**

The profits obtained from the investments attached to the company's incentive certificate are subject to corporate tax at reduced rates until they reach the contribution amount to the investment, starting from the accounting period when the investment is partially or completely started to be operated. In this context, as of December 31, 2023, the Company has reflected a tax advantage of TRY 148.415.974 (December 31, 2022: TRY 250.804.680) that it is expected to benefit in the foreseeable future, as a deferred tax asset in the financial statements. As a result of the accounting of this tax advantage as of December 31, 2023, a deferred tax expense of TRY 102.388.706 was incurred in the profit or loss statement for the period January 1 – December 31, 2023.

Deferred tax assets are recorded when it is determined that taxable income is likely to occur in future years. In cases where taxable income is likely to occur, deferred tax assets are calculated over tax advantages earned due to deductible temporary differences, fiscal losses and investment discounts with indefinite life that allow corporate tax payment at a reduced rate.

Within this context, the company bases the reflection of deferred tax assets arising from investment incentives in the financial statements on long-term plans, and evaluates the recoverability of these deferred tax assets related to these investment discounts, based on business models that include taxable profit estimates, as of each balance sheet date. It is anticipated that these deferred tax assets will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis conducted as of December 31, 2023, when the inputs in the basic macroeconomic and sectoral assumptions forming the business plans were increased/decreased by 10%, there was no change in the recovery periods of the deferred tax assets related to the investment incentives, which are projected as 5 years.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Provision for current period corporate tax	(33.665.315)	(17.302.193)
Earthquake tax	(43.957.238)	-
Tax arising from base increase	(17.545.664)	-
Tax arising from legal indexation		(3.904.512)
Less: Prepaid taxes and funds	84.369.902	6.555.900
<b>Tax liability for current period</b>	<b>(10.798.315)</b>	<b>(14.650.805)</b>



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**NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**  
(cont’d)

*Earthquake tax*

With the enactment of the respective law; corporate taxpayers are subjected to a one-time earthquake tax of 10%, regardless of their period profit, over the exemption and deduction amounts deducted from the corporate income and the tax bases which are subject to reduced corporate tax, to be shown in the corporate tax return for 2022. As a result of this law, the Company has accounted for a one-time earthquake tax amounting to 43.957.238 TL in the income statement and has made the payment as of December 31, 2023.

*Income withholding tax*

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. In Turkey, income tax withholding tax was applied as 10% for all companies between 24 April 2003 and 22 July 2006 and then increased to 15%. Dividends that are not distributed but capitalized are not subject to withholding tax.

*Deferred tax*

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported under POA Financial Reporting Standards and its statutory tax financial statements.

The tax rate used in the calculation of deferred tax assets and liabilities is 25%. As of January 1, 2023, 25% has been used on temporary differences expected to reverse.

The deferred tax asset and liabilities consist of the following:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Investment incentives	(148.415.973)	(250.804.680)
Revaluation and depreciation differences of tangible fixed assets / amortization differences of intangible assets	(108.188.093)	(4.651.444)
Provision for doubtful receivables	(1.359.385)	(1.369.080)
Provision for employment termination benefit	(1.274.022)	(936.810)
Provision for unused vacation	(646.859)	(383.280)
Trade receivables / payables rediscount (net)	5.051.944	1.525.201
Inventory adjustment	17.917.995	16.314.117
Other	(213.392)	(467.008)
	<b>(237.127.785)</b>	<b>(240.772.984)</b>

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**NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)**

As of 31 December 2023, and 2022, the movement of deferred tax (asset)/liability for the periods ended are as follows:

	<b>2023</b>	<b>2022</b>
Opening balance as of 1 January	(240.772.984)	(268.634.618)
Accounted for in the income statement	7.990.993	7.676.300
Accounted under equity	(4.345.794)	20.185.334
<b>Closing balance on 31 December</b>	<b>(237.127.785)</b>	<b>(240.772.984)</b>

The reconciliation of total tax expense for the period to profit for the period is as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Profit/(loss) before tax	398.853.877	952.651.498
Calculated tax	(99.713.469)	(219.109.845)
- legally unrecognized expenses	(27.794.236)	(2.356.630)
- the effect of different tax rates	(1.254.737)	(6.022.238)
- tax effect related to cash flow hedging accounting	12.316.382	27.699.784
- the effect of earthquake tax	(43.957.238)	-
- tax effect resulting from the increase in tax base	(17.545.664)	-
- investment incentive deduction	82.001.455	191.892.984
Monetary gain	(7.211.703)	(20.240.039)
<b>Tax provision (expense)/income in the income statement</b>	<b>(103.159.210)</b>	<b>(28.135.984)</b>

**NOTE 25 – RELATED PARTY DISCLOSURES**

The Company enters into various transactions with related parties in the ordinary course of business. The Company has a number of operational and financial relationships with its shareholders and companies owned by its shareholders. Receivables and payables from related parties arising from operational activities generally arise from the ordinary course of business. These transactions are as follows:

- (1) Sales to related parties: The Company sells potato products to Fasdat and Pangea Foods, which are related parties.
- (2) Sales to related parties: The company sells potato waste, which can be used as animal feed and is generated during production, to Atasancak and Ekur Et, which are related parties.
- (3) Purchases from related parties: The company purchases management consulting services from TFI TAB Food Investments Co.

Balances due from and due to related parties will be settled in cash and no collateral has been taken or given. No doubtful receivables allowance expense has been set aside for the current year for receivables from related parties.

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**NOTE 25 – RELATED PARTY DISCLOSURES (cont’d)**

<b>31 December 2023</b>	<b>Trade</b>	<b>Trade</b>	<b>Other</b>	<b>Deferred</b>
<b>Balances with related parties</b>	<b>Receivables</b>	<b>Payables</b>	<b>Payables</b>	<b>Income</b>
	<b>Current</b>	<b>Current</b>	<b>Current</b>	
<i>Main shareholder</i>				
TFI TAB Gıda Yatırımları A.Ş.	-	(3.898.444)	-	-
<i>Other related parties</i>				
Pangea Foods (China) Holdings Ltd.	136.005.248	-	-	-
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	3.767.258	-	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	2.421.604	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	1.753.816	-	-	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	(367.676)	-	-
Arbeta Turizm Org.ve Tic. A.Ş.	-	(108.350)	-	-
	<b>143.947.926</b>	<b>(4.374.470)</b>	-	-
<b>31 December 2022</b>	<b>Trade</b>	<b>Trade</b>	<b>Other</b>	<b>Deferred</b>
<b>Balances with related parties</b>	<b>Receivables</b>	<b>Payables</b>	<b>Payables</b>	<b>Income</b>
	<b>Current</b>	<b>Current</b>	<b>Current</b>	
<i>Main shareholder</i>				
TFI TAB Gıda Yatırımları A.Ş.	-	(498.749)	-	-
<i>Other related parties</i>				
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	-	-	-	(153.715.313)
TAB Gıda Sanayi ve Tic. A.Ş.	-	-	(224.915)	-
Pangea Foods (China) Holdings Ltd.	178.289.432	-	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	1.921.399	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	458.354	-	-	-
Arbeta Turizm Org.ve Tic. A.Ş.	-	(52.233)	-	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	(26.706)	-	-
Ekur İnşaat San.Tic.A.Ş.	-	(20.354)	-	-
	<b>180.669.185</b>	<b>(598.042)</b>	<b>(224.915)</b>	<b>(153.715.313)</b>

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**NOTE 25 – RELATED PARTY DISCLOSURES (cont’d)**

**1 January – 31 December 2023**

<b>Transaction with related parties</b>	<b>Purchases</b>	<b>Sales</b>	<b>Interest expense</b>	<b>Other expense</b>	<b>Other income</b>
<i>Main shareholder</i>					
TFI TAB Gıda Yatırımları A.Ş.	(27.695.059)	-	-	-	-
<i>Other related parties</i>					
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	1.174.757.900	(640.011)	-	(44.231)
Arbeta Turizm Org.ve Tic.A.Ş	(1.108.280)	-	-	83.191	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(442.411)	-	-	544.666	-
Ekur İnşaat San.Tic.A.Ş	(216.681)	-	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	(117.660)	1.636.336	-	-	-
Mes Mutfak Ekip.San.ve Serv.Hiz.Tic.A.Ş.	(88.912)	-	-	-	-
Pangea Foods (China) Holdings Ltd.	-	358.853.751	-	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	15.165.686	-	-	-
Tab Gıda Sanayi ve Ticaret A.Ş.	-	-	(378.508)	-	-
	<b>(29.669.003)</b>	<b>1.550.413.673</b>	<b>(1.018.519)</b>	<b>627.857</b>	<b>(44.231)</b>

**1 January – 31 December 2022**

<b>Transaction with related parties</b>	<b>Purchases</b>	<b>Sales</b>	<b>Interest expense</b>	<b>Other expense</b>	<b>Other income</b>
<i>Main shareholder</i>					
TFI TAB Gıda Yatırımları A.Ş.	(210.733)	-	-	-	-
<i>Other related parties</i>					
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	878.005.359	-	3.979	(50.030)
Arbeta Turizm Org.ve Tic.A.Ş	(144.786)	-	-	-	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(109.406)	-	-	-	-
Ekur İnşaat San.Tic.A.Ş	(60.753)	-	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	(22.253)	1.337.440	-	-	-
Pangea Foods (China) Holdings Ltd.	-	312.919.650	-	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	8.310.815	-	-	(6.528)
	<b>(547.931)</b>	<b>1.200.573.264</b>	<b>-</b>	<b>3.979</b>	<b>(56.558)</b>

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**NOTE 25 – RELATED PARTY DISCLOSURES (cont’d)**

Benefits provided to board members and senior management personnel are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Salaries and other short-term benefits	4.118.865	706.637
	<b>4.118.865</b>	<b>706.637</b>

The Company consists of senior management and members of the Board of Directors. Benefits provided to senior executives include salaries, bonuses and health insurance.

**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

In the normal course of business operations, the Company is exposed to various market risks such as fluctuations in exchange rates, interest rates, and raw material prices for products, and these fluctuations may have a negative impact on financial assets and liabilities, future cash flows and profit. The Company's risk management program generally aims to minimize the effects of the financial market's uncertainty on the Company's financial performance.

The Company's main financial instruments are bank loans, cash and short-term deposits. The main purpose of these financial instruments is to generate financing for the Company's activities. The Company also has other various financial instruments resulting from its direct operations, such as trade payables and trade receivables.

The main risks arising from the Company's financial instruments are interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The management develops and approves implementation policies to manage these risks.

**a) Capital risk management**

In capital management, the Company aims to increase its profit by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its operations.

The Company's capital structure includes debts, including loans described in Note 4, and equity items, including cash and cash equivalents described in Note 3, issued capital described in Note 16, reserves and retained earnings from the previous year.

The Company evaluates the risks associated with each capital class with the capital cost by upper management. The Company aims to keep the capital structure balanced through new debt acquisition or repayment of existing debt, as well as through dividend payments, new shares issuance, and share repurchases, based on the upper management's suggestions.

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

The Company's net debt and capital position is as follows:

	<b>2023</b>	<b>2022</b>
Total borrowings	629.412.841	907.223.591
Less: Cash and cash equivalents	(875.837.500)	(144.742.155)
<b>Net debt</b>	<b>(246.424.659)</b>	<b>762.481.436</b>
<b>Total equity</b>	<b>3.067.164.324</b>	<b>1.555.360.689</b>

**b) Financial risk factors**

The risk management program is generally focused on minimizing the potential adverse effects of financial market uncertainty on the Company's financial performance.

The Company's risk management is carried out by a central finance department in line with policies approved by the Board of Directors. While providing services related to commercial activities, the Company's finance department is also responsible for ensuring regular access to domestic and foreign financial markets and monitoring the level and magnitude of financial risks related to the Company's activities.

*b.1) Credit risk management*

The risk of a financial loss to the Company due to a party to a financial instrument failing to meet its contractual obligations is defined as credit risk. The Company tries to reduce the credit risk by only conducting transactions with creditworthy parties and trying to obtain adequate collateral when possible. The credit risks that the Company is exposed to and the customers' credit ratings are continuously monitored.

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

<b>2023</b>	<b>Trade receivables related party</b>	<b>Trade receivables other party</b>	<b>Other receivables other party</b>	<b>Bank deposits</b>
<b>Maximum credit risk exposed (A+B+C+D+E)</b>	<b>143.947.926</b>	<b>51.559.242</b>	<b>3.113.681</b>	<b>875.830.032</b>
<b>- The part of maximum risk under guarantee with collateral</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
A. Net book value of financial assets that are neither past due nor impaired	143.947.926	51.559.242	3.113.681	875.830.032
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Carrying value of financial assets that past due but not impaired	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
D. Net book value of impaired assets				
- Gross carrying amount	-	5.437.539	-	-
- Impairment	-	(5.437.539)	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-

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NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

2022	Trade receivables related party	Trade receivables other party	Other receivables other party	Bank deposits
<b>Maximum credit risk exposed (A+B+C+D+E)</b>	<b>180.669.185</b>	<b>87.197.861</b>	<b>5.130.504</b>	<b>144.728.449</b>
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	180.669.185	71.240.714	5.130.504	144.728.449
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Carrying value of financial assets - The part of net value under guarantee with collateral etc.	-	15.957.147	-	-
D. Net book value of impaired assets - Gross carrying amount - Impairment - The part of net value under guarantee with collateral etc	-	6.845.401 (6.845.401)	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-



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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

*b.2) Liquidity risk management*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of credit transactions, and the ability to close out market positions. Liquidity risk is the risk of the Company not being able to meet its net funding requirements. Liquidity risk is managed through the inflow and outflow of cash, balanced within the predetermined credit limits with credit institutions. The maturity analysis of financial liabilities has been disclosed, considering the duration from the balance sheet date to the maturity date.

*Liquidity Risk Statement*

The following table summarizes the maturity profile of the Company's non-derivative financial liabilities. The table includes interest and principal amounts payable on the liabilities:

<b>2023</b>	<b>Carrying value</b>	<b>Contractual cash flows</b>	<b>Less than 3 months</b>	<b>Between 3-12 months</b>	<b>1 year and over</b>
Bank loans	629.412.841	651.211.625	307.241.193	251.049.156	92.921.276
Lease liabilities	3.923.349	4.491.356	886.593	1.955.321	1.649.442
Trade payables (Related parties included)	362.362.120	385.381.662	385.381.662	-	-
	<b>995.698.310</b>	<b>1.041.084.643</b>	<b>693.509.448</b>	<b>253.004.477</b>	<b>94.570.718</b>

<b>2022</b>	<b>Carrying value</b>	<b>Contractual cash flows</b>	<b>Less than 3 months</b>	<b>Between 3-12 months</b>	<b>1 year and over</b>
Bank loans	907.223.591	963.129.713	127.033.311	539.108.013	296.988.389
Lease liabilities	5.353.094	5.997.726	945.192	2.835.574	2.216.960
Trade payables (Related parties included)	289.805.373	299.809.755	299.809.755	-	-
Other payables (Related parties included)	584.575	584.575	584.575	-	-
	<b>1.202.966.633</b>	<b>1.269.521.769</b>	<b>428.372.833</b>	<b>541.943.587</b>	<b>299.205.349</b>

*b.3) Market risk management*

Due to the Company's operations, it is exposed to financial risks related to changes in foreign exchange rates (b.3.1), interest rates (b.3.2), and price risk (b.3.3). The Company's policy against these market risks is to assess potential losses that could occur and their effects and to reduce the Company's market risks. The general risk management plan of the Company aims to focus on the uncertainty of financial markets and to minimize potential negative impacts on the Company's financial performance. The Company's management constantly evaluates the fluctuations in exchange rates and interest rates.

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

*b.4) Foreign currency risk management*

The Company is exposed to foreign exchange risk mainly due to fluctuations in US Dollar and Euro exchange rates. Foreign exchange risk is primarily related to bank borrowings and foreign currency-denominated receivables and payables. While the majority of the Company's long-term debt is denominated in USD, the Company generates its revenues and cash from operations in TL.

The Company Management periodically assesses market conditions and formulates a foreign currency strategy based on exchange rate expectations. The Company utilizes TL and foreign currency-denominated borrowings and determines the rate based on the overall foreign currency strategy. Foreign currency-denominated assets and liabilities of monetary and non-monetary items are as follows:

	<b>31 December 2023</b>		
	<b>Total</b>		
	<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>
1. Trade Receivables	136.011.115	-	4.175.463
2a. Monetary Financial Assets	124.280	1.039	2.876
2b. Non-Monetary Financial Assets	1.561.540	-	47.939
3. Other	-	-	-
<b>4. Current Assets</b>	<b>137.696.935</b>	<b>1.039</b>	<b>4.226.278</b>
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
<b>8. Non-Current assets</b>	-	-	-
<b>9. Total Assets (4+8)</b>	<b>137.696.935</b>	<b>1.039</b>	<b>4.226.278</b>
10. Trade Payables	103.406.446	3.344.114	152.323
11. Financial Liabilities	485.076.069	6.904.099	8.652.075
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
<b>13. Short Term Liabilities</b>	<b>588.482.515</b>	<b>10.248.213</b>	<b>8.804.398</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	85.268.777	233.048	2.407.088
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
<b>17. Long Term Liabilities</b>	<b>85.268.777</b>	<b>233.048</b>	<b>2.407.088</b>
<b>18. Total Liabilities (13+17)</b>	<b>673.751.292</b>	<b>10.481.261</b>	<b>11.211.486</b>
<b>19. Amounts Subject to Cash</b>			
<b>Flow Hedging Accounting</b>	<b>360.578.512</b>	-	<b>11.069.553</b>
<b>20. Net Foreign Exchange Asset /</b>			
<b>Liability Position After Cash</b>			
<b>Flow Hedging Accounting (9-18+19)</b>	<b>(175.475.845)</b>	<b>(10.480.222)</b>	<b>4.084.345</b>
<b>21. Net Monetary Items Foreign Exchange</b>			
<b>Asset / Liability Position (9-18)</b>	<b>(536.054.357)</b>	<b>(10.480.222)</b>	<b>(6.985.208)</b>

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

	<b>31 December 2022</b>		
	<b>Total TL equivalent</b>	<b>USD</b>	<b>EUR</b>
1. Trade Receivables	178.295.346	5.786.789	180
2a. Monetary Financial Assets	32.595.852	1.056.030	1.822
2b. Non-Monetary Financial Assets	2.306.537	8.786	61.979
3. Other	-	-	-
<b>4. Current Assets</b>	<b>213.197.735</b>	<b>6.851.605</b>	<b>63.981</b>
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
<b>8. Non-Current Assets</b>	-	-	-
<b>9. Total Assets (4+8)</b>	<b>213.197.735</b>	<b>6.851.605</b>	<b>63.981</b>
10. Trade Payables	66.653.401	2.073.473	80.687
11. Financial Liabilities	427.284.468	-	12.984.816
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
<b>13. Short Term Liabilities</b>	<b>493.937.869</b>	<b>2.073.473</b>	<b>13.065.503</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	242.023.399	-	7.354.888
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary	-	-	-
<b>17. Long Term Liabilities</b>	<b>242.023.399</b>	-	<b>7.354.888</b>
<b>18. Total Liabilities (13+17)</b>	<b>735.961.268</b>	<b>2.073.473</b>	<b>20.420.391</b>
<b>19. Amounts Subject to Cash Flow Hedging Accounting</b>	<b>614.734.915</b>	-	<b>18.681.278</b>
<b>20. Net Foreign Exchange Asset / Liability Position After Cash Flow Hedging Accounting (9-18+19)</b>	<b>91.971.382</b>	<b>4.778.132</b>	<b>(1.675.132)</b>
<b>21. Net Monetary Items Foreign Exchange Asset /Liability Position (9-18)</b>	<b>(522.763.533)</b>	<b>4.778.132</b>	<b>(20.356.410)</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>	
	<b>Appreciation of Foreign Currency</b>	<b>Devaluation of Foreign Currency</b>	<b>Appreciation of Foreign Currency</b>
		<b>Devaluation of Foreign Currency</b>	
In case of 10% change in USD against TRY	(30.851.887)	30.851.887	14.719.959
In case of 10% change in EUR against TRY	13.304.305	(13.304.305)	5.487.647
<b>Total</b>	<b>(17.547.582)</b>	<b>17.547.582</b>	<b>9.232.312</b>
		<b>(9.232.312)</b>	

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

*Foreign currency sensitivity*

The table above shows the sensitivity of the Company to a 10% (2022: 10%) increase and decrease in USD and EUR rates. The 10% (2022: 10%) rate is the rate used in reporting exchange rate risk to key management personnel, and this rate represents the possible change in exchange rates expected by the management. The sensitivity analysis only covers the monetary items in foreign currency open at the end of the year and shows the effects of a 10% (2022: 10%) exchange rate change at the end of the year. A negative value represents a decrease in pre-tax income resulting from a 10% (2022: 10%) increase in USD and EUR against TL.

The amounts of imports and exports that the Company has made for the periods ending on December 31, 2023, and 2022, are as follows:

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Total export amount	396.166.649	723.142.297
Total import amount	3.958.692	26.799.760

*b.5) Interest risk management*

The Company's borrowing at floating interest rates exposes the Company to potential interest rate risk. The Company generally arranges fixed-rate interest contracts to protect against risks that may arise from changes in interest rates. Risk management strategies are regularly evaluated according to market conditions and interest rate expectations. The risk management strategy aims to develop the most appropriate interest risk management in relation to the balance sheet position and interest expenses.

*Interest rate sensitivity*

The distribution of the Company's non-derivative fixed and floating interest rate financial liabilities is given below:

<b>Fixed-rate financial instruments</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Bank loans	574.575.572	841.942.620
Lease liabilities	3.923.349	5.353.094
Trade payables (Related parties included)	362.362.120	289.805.373
Other payables (Related parties included)	-	584.575
<b>Floating rate financial instruments</b>		
Bank loans	54.837.269	65.280.971

As of December 31, 2023, with all other variables held constant, a 1% increase in the interest rate of variable interest bank loans would result in a fair value increase of 2.711.146 TL related to variable interest bank loans (December 31, 2022: 890.403 TL).

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

<b>31 December 2023</b>	<b>Financial assets measured at amortised cost</b>	<b>Financial liabilities measured at amortised cost</b>	<b>Fair value (*)</b>	<b>Notes</b>
<b>Financial assets</b>				
Cash and cash equivalents	875.837.500	-	875.837.500	3
Trade receivables (related parties included)	195.507.168	-	195.507.168	6
Other receivables (related parties included)	3.113.681	-	3.113.681	7
<b>Financial liabilities</b>				
Bank loans	-	629.412.841	622.829.221	4
Trade payables (related parties included)	-	362.362.120	362.362.120	6
Lease liabilities	-	3.923.349	3.923.349	5
<b>31 December 2022</b>				
<b>Financial assets</b>				
Cash and cash equivalents	144.742.155	-	144.742.155	3
Trade receivables (related parties included)	267.867.046	-	267.867.046	6
Other receivables (related parties included)	5.130.504	-	5.130.504	7
<b>Financial liabilities</b>				
Bank loans	-	907.223.591	897.734.088	4
Trade payables (related parties included)	-	289.805.373	289.805.373	6
Lease liabilities	-	5.353.094	5.353.094	5

(\*) The fair value of the Company's financial instruments is close to the book value of these financial instruments.

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**NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)**

*Cash Flow Hedging Instruments*

The Company has designated the Euro-denominated loans, which it uses and will mature by August 31, 2026, as hedging instruments against the EUR/TL spot exchange rate risk exposed to due to the highly probable Euro-denominated export revenues; in this context, cash flow hedge accounting is applied since February 1, 2022. The exchange rate gains/losses of these investment loans are accounted for in "Cash flow hedge gains/(losses)" under equity until the cash flow of the item subject to hedge occurs. As of December 31, 2023, the amount of loans associated in this context is 11.069.553 Euros (360.578.512 TL). The exchange difference expense accounted for in equity after tax is 120.048.498 TL.

**NOTE 27 – DERIVATIVE INSTRUMENTS**

As of December 31, 2023 and 2022, assets and liabilities arising from derivative instruments consists of interest rate swap transactions. The details are as follows:

	<b>2023</b>	<b>2022</b>
Assets arising from derivative instruments	3.530.960	8.756.631
	<b>3.530.960</b>	<b>8.756.631</b>

<b>31 December 2023</b>		<b>Original</b>	
<b>Currency type</b>	<b>Currency</b>	<b>contract value</b>	<b>Asset</b>
Derivative instruments	EUR	4.540.035	3.530.960
			<b>3.530.960</b>

<b>31 December 2022</b>		<b>Original</b>	
<b>Currency type</b>	<b>Currency</b>	<b>contract value</b>	<b>Liability</b>
Derivative instruments	EUR	8.175.246	8.756.631
			<b>8.756.631</b>

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**NOTE 27 – DERIVATIVE INSTRUMENTS (cont’d)**

**Fair value measurements**

The table below includes an analysis of the financial instruments measured at fair value and determined through valuation methods. The fair value calculations were made based on the following stages:

- For specific assets and liabilities, quotation price in active markets (uncorrected) (Level 1).
- Besides the quotation price within Level 1, for assets and liabilities, either directly observable inputs (as price) or indirectly observable inputs (derived from prices) (Level 2).
- Inputs for assets and liabilities which cannot be determined by observable market data (unobservable inputs) (Level 3).

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets arising from derivative instruments	-	3.530.960	-
	-	<b>3.530.960</b>	-

<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets arising from derivative instruments	-	8.756.631	-
	-	<b>8.756.631</b>	-

**NOTE 28 – INDEPENDENT AUDITORS’ FEE**

Fees for services received from independent auditor/independent audit firm The Company's explanation regarding the fees for the services provided by independent audit firms, prepared in accordance with the Board Decision of POA published in the Official Gazette dated 30 March 2021 and based on the POA letter dated 19 August 2021, is as follows:

	<b>2023</b>	<b>2022</b>
Independent auditor’s fee	3.233.500	2.367.003
	<b>3.233.500</b>	<b>2.367.003</b>