ATAKEY PATATES GIDA
SANAYİ VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT
AS OF DECEMBER 31, 2024

(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, 2024, and the statement of 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, 2024, 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.

Key Audit Matters	Auditor's response
Measurement of property, plant and equipment using revaluation method	
The Company uses revaluation model for subsequent measurement of machinery, and equipment in its consolidated financial statements. These assets were measured at their fair values as of 31 December 2024, based on the valuation reports prepared by an independent valuation firm. 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. Disclosures regarding property, plant and equipment are disclosed in Note 2 and Note 10	Among others, the following procedures have been performed for the measurement of property, plant and equipment using revaluation method: - The appropriateness of the Company's accounting policy for the revaluation of property, plant and equipment has been evaluated. - We have evaluated the qualifications, competencies and independence of the valuation experts appointed by the Management. - 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. - 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. - In addition, the adequacy of disclosures in Note 2 and Note 9 and conformity with TFRS have been evaluated.

Key Audit Matters	Auditor's response
Cash flow hedge	
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 7,682,775 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. The company book exchange rate gains and losses related to effectively designated loan transactions in equity as "hedge gains/(losses)". As of December 31, 2024, there is a loss of 43,041,329 TL after tax under the 'cash flow hedge gains/losses' account in equity. In our audit work, we have focused on this issue due to the following reasons: - 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. - 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. - 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.	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. 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. 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. Additionally, we have evaluated whether the footnote disclosures pertaining to these cash flow hedging operations adhere to the International Financial Reporting Standards ("TFRS").

Key Audit Matters	Auditor's response
Application of the hyperinflationary accounting	
As stated in 2.1 to the consolidated 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, 2024. In accordance with TAS 29, consolidated 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. 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 2.1.1.2. 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.	Our audit procedures included the following; 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, We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, We have audited the restatements of corresponding figures as required by TAS 29, We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

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.

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

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 skepticism 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.

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

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

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, 2024.

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 2024 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

3 March 2025
İstanbul, Türkiye

Contents **PAGE**

(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 2024
STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSET			
Cash and cash equivalents	3	223,633,540	1,264,523,422
Financial investments	4	313,874,113	-
Trade receivables			
Trade receivables from related parties	*7,27*	*201,320,949*	*207,830,247*
Trade receivables from third parties	*7*	*63,416,101*	*74,440,600*
Other receivables			
Other receivables from third parties	*8*	*415,141*	*2,364,383*
Inventories	9	1,639,850,988	1,513,705,573
Prepaid expenses	16	13,768,347	7,230,740
Other current assets	14	211,348,381	179,420,965
Total Current Assets		**2,667,627,560**	**3,249,515,930**
Financial investments	4	38,716,438	-
Other receivables			
Other receivables from third parties		*629,244*	*2,131,112*
Property, plant and equipment	10	2,670,557,647	2,295,794,920
Intangible assets	11	2,497,343	1,498,167
Right of use assets	12	8,421,145	9,176,697
Prepaid expenses	16	41,399,862	-
Deferred tax assets	26	249,676,685	342,362,183
Derivative instruments	29	6,829,683	5,097,958
Total Non-Current Assets		**3,018,728,047**	**2,656,061,037**
TOTAL ASSETS		**5,686,355,607**	**5,905,576,967**

(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 2024
STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Short-term borrowings	5	23,224,926	536,796,120
Current portion of long-term borrowings	5	130,329,850	248,832,397
Short-term lease liabilities	6	4,028,195	3,465,755
Trade payables			
Trade payables to related parties	*7,27*	*16,504,536*	*6,315,806*
Trade payables to third parties	*7*	*505,123,801*	*516,858,171*
Other payables			
Other payables to related parties	*8-27*	*154,399,276*	-
Other payables to third parties	*8*	*2,520,198*	-
Employee benefit payables	14	6,569,002	6,250,075
Short-term provisions			
Provisions for employee benefits	*14*	*6,727,761*	*3,735,711*
Other provisions	*13*	*2,589,694*	*3,121,242*
Current tax liabilities	26	8,543,762	15,590,475
Other current liabilities	15	6,367,225	3,610,636
Total Current Liabilities		**866,928,226**	**1,344,576,388**
Long-term borrowings	5	160,994,503	123,110,010
Long-term lease liabilities	6	2,626,960	2,198,728
Long-term provisions			
Provisions for employee benefits	*14*	*10,352,963*	*7,357,669*
Total Non-Current Liabilities		**173,974,426**	**132,666,407**
EQUITY			
Share capital	17	138,768,000	138,768,000
Adjustments to share capital	17	857,208,495	857,208,495
Share premium		1,293,815,887	1,293,815,887
Treasury Shares	17	(6,680,603)	-
Other comprehensive expenses not to be reclassified			
- Remeasurement losses of defined benefit plans		373,429	258,392
- Revaluation of property, plant and equipment	17	811,309,101	759,646,246
Other comprehensive losses to be reclassified under profit or losses			
- Cash flow hedge reserves	17	(43,041,329)	(173,324,547)
Restricted reserves	17	185,835,117	-
Retained earnings		1,224,913,061	1,125,041,370
Net profit for the period		182,951,797	426,920,329
Total Equity		**4,645,452,955**	**4,428,334,172**
TOTAL LIABILITIES AND EQUITY		**5,686,355,607**	**5,905,576,967**

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 2024
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 2024, unless otherwise indicated.)

	Notes	1 January - 31 December 2024	1 January - 31 December 2023
Profit or loss			
Revenue	20	3,254,186,073	3,679,054,367
Cost of sales (-)	20	(2,751,076,711)	(2,751,726,529)
Gross profit		**503,109,362**	**927,327,838**
General administrative expenses (-)	21	(142,631,252)	(118,682,004)
Other operating income	23	77,414,679	130,557,119
Other operating expenses (-)	23	(101,772,227)	(116,026,286)
Operating profit		**336,120,562**	**823,176,667**
Income related to investing activities	24	320,380,214	237,856,556
Expense related to investing activities (-)	24	(12,633,957)	(5,880,264)
Operating profit before financial expenses		**643,866,819**	**1,055,152,959**
Financial expenses (-)	25	(216,944,003)	(523,449,335)
Monetary gain	19	(170,485,731)	44,156,704
Earning / (Loss) before tax		**256,437,085**	**575,860,328**
Tax income / (Expense)			
Current tax expense	26	(40,157,880)	(137,402,702)
Deferred tax income	26	(33,327,408)	(11,537,297)
Net profit for the year		**182,951,797**	**426,920,329**
Earning per share		1.32	3.37
Other comprehensive income			
Items that will not to be reclassified subsequently to profit or loss:			
Revaluation of defined benefit plans and measurement gains	14	153,383	60,789
Revaluation of defined benefit plans and measurement losses tax expense	26	(38,348)	(16,185)
Revaluation increase on property, plant and equipment	10	67,554,860	448,387,992
Tax expenses related to revaluation increase on property, plant and equipment	26	(15,892,003)	(11,491,652)
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedging losses		173,710,957	(31,136,359)
Cash flow hedging losses tax income		(43,427,739)	17,782,241
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**182,061,110**	**423,586,826**
TOTAL COMPREHENSIVE INCOME		**365,012,907**	**850,507,155**

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 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

						Other comprehensive income/(expense) will be reclassified to profit or loss	Other comprehensive income/(expense) will not be reclassified to profit or loss						
	Notes	Share capital	Adjustment to share capital	Treasury shares	Share premium	Cash flow hedging losses	Remeasurement of defined benefit liabilities	Revaluation of property plant and equipment	Legal reserves	Net income for the period	Retained earnings	Equity attributable to owners of the parent	Total
Balance at 1 January 2024	**17**	**138,768,000**	**857,208,495**	**-**	**1,293,815,887**	**(173,324,547)**	**258,392**	**759,646,246**	**-**	**426,920,329**	**1,125,041,370**	**4,428,334,172**	**4,428,334,172**
Profit for the year										182,951,797	-	182,951,797	182,951,797
Other comprehensive income		-	-	-	-	130,283,218	115,037	51,662,855	-	-	-	182,061,110	182,061,110
Total Comprehensive Income		-	-	-		130,283,218	115,037	51,662,855	-	182,951,797	-	365,012,907	365,012,907
Increase due to share-based transactions		-	-	(6,680,603)	-	-		-	-	-	-	(6,680,603)	(6,680,603)
Dividend payment		-	-	-	-	-	-	-	185,835,117	-	(327,048,638)	(141,213,521)	(141,213,521)
Transfers		-	-	-	-	-	-	-	-	(426,920,329)	426,920,329	-	-
Balance at 31 December 2024	**17**	**138,768,000**	**857,208,495**	**(6,680,603)**	**1,293,815,887**	**(43,041,329)**	**373,429**	**811,309,101**	**185,835,117**	**182,951,797**	**1,224,913,061**	**4,645,452,955**	**4,645,452,955**
Balance at 1 January 2023		**117,600,000**	**839,976,021**	**-**	**-**	**-**	**213,787**	**322,749,906**	**-**	**1,334,804,143**	**(209,762,773)**	**2,245,610,656**	**2,245,610,656**
Profit for the year		-	-	-	-	-	-	-	-	426,920,329	-	426,920,329	426,920,329
Other comprehensive income	17	-	-	-	-	(13,354,119)	44,605	436,896,340	-	-	-	**423,586,826**	**423,586,826**
Total Comprehensive income		-	-	-	-	(13,354,119)	44,605	436,896,340	-	426,920,329	-	850,507,155	850,507,155
Transfers		-	-	-	-	-	-	-	-	(1,334,804,143)	1,334,804,143	-	
Capital increase	17	21,168,000	17,232,474									**38,400,474**	**38,400,474**
Increase due to share-based transactions		-	-	-	1,293,815,887	-	-	-	-	-	-	**1,293,815,887**	**1,293,815,887**
Balance at 1 December 2023	**17**	**138,768,000**	**857,208,495**	**-**	**1,293,815,887**	**(173,324,547)**	**258,392**	**759,646,246**	**-**	**426,920,329**	**1,125,041,370**	**4,428,334,172**	**4,428,334,172**

(*) 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 1,176,640,786 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 53,352,419 due to the public offering process as of the date of the public offering, and the relevant amount is TL 1,293,815,887 based on the purchase principle dated December 31, 2024.

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 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Notes	1 January - 31 December 2024	1 January- 31 December 2023
Cash Flows From Operating Activities		**341,267,072**	**422,107,574**
Net profit for the period		182,951,797	426,920,327
Adjustments related to reconciliation of net profit/(loss) for the period		**191,901,413**	**983,207,842**
Depreciation and amortization expense	10-11-12	232,977,487	138,022,626
Adjustments for provisions provisions related to employee benefits	14	14,671,221	12,289,550
Adjustment related to provisions for litigation and/or penalties	21	(531,548)	2,738,122
Interest income	24	(169,997,702)	(176,410,319)
Adjustments regarding participation fee income	24	(131,380,653)	(29,581,439)
Interest expense	25	31,199,574	126,156,493
Deferred financial expense arising from credit purchases	23	4,843,425	12,692,930
Unearned finance income arising from credit sales	23	(1,049,794)	(28,452,801)
Adjustments related to unrealized foreign currency translation differences	5	21,262,860	369,563,765
Adjustments related to derivative instruments		(1,731,723)	3,365,284
Provision for doubtful trade receivables	7	991,412	2,041,630
Adjustments related to tax income	26	73,485,288	148,940,000
Monetary gain		117,161,562	401,841,981
Changes in Working Capital		**15,177,962**	**838,671,029**
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties	7-27	4,140,841	(64,725,114)
Increase in trade receivables from third parties	7-27	5,189,662	(2,562,707)
Adjustments related to increase in other current assets		3,451,110	-
Increase in inventories	9	(126,145,415)	(864,912,721)
Decrease in prepaid expenses	16	-	(2,248,938)
Increase in due to related parties	8-27	10,188,730	7,569,739
Increase in trade payables to third parties	8	(10,684,576)	376,300,209
Increase (decrease) in payables under employee benefits	14	1,288,963	-
(Decrease)/ncrease in other receivables related to operations from related parties	15	154,399,276	-
"Increase (Decrease) in Deferred Revenues (Excluding Those Arising from Customer Contracts)"		-	(176,036,640)
(Decrease)/increase in other receivables related to operations from third parties	15	2,520,198	8,140,976
Decrease (increase) in other assets related to activities		(31,927,416)	(120,195,833)
Increase (decrease) in other liabilities related to activities		2,756,588	-
Cash Flows From Operations		**390,031,172**	**571,457,140**
Employee benefits paid	14	(1,559,507)	(5,288,861)
Income taxes paid	26	(47,204,593)	142,964,880
Litigation paid		-	(1,095,825)

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

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Notes	1 January - 31 December 2024	1 January - 31 December 2023
Cash Flows From Investing Activities		**(637,565,823)**	**109,842,177**
Cash outflows from purchase			
of property, plant and equipment	10-12-16	(578,018,287)	(95,613,195)
Cash outflows from purchase of intangible assets	11	(1,654,737)	(536,386)
Cash outflows arising from the purchase of shares			
from the parent company	17	(6,680,603)	-
Financial investments	4	(352,590,551)	-
Interest received	24	301,378,355	205,991,758
Cash Flows From Financing Activities		**(414,378,243)**	**853,049,121**
Cash inflows from borrowings			
Cash inflows from loans	5	241,314,830	711,119,544
Cash outflows related to loan repayments			
Cash outflows related to loan repayments	5	(605,557,512)	(1,020,668,881)
Cash outflows related to other financial repayments		(3,790,355)	(27,051,046)
Interest paid	5	(39,482,343)	(136,717,118)
Payments for lease transactions	6	(6,862,863)	(5,849,738)
Other cash inflows (outflows)		-	38,400,473
Cash inflows from share issuance		-	1,293,815,887
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**3**	**1,264,523,422**	**208,976,945**
CASH AND CASH EQUIVALENTS		**(710,676,994)**	**1,384,998,872**
THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS NET CHANGE IN		(330,212,888)	(329,452,395)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3**	**223,633,540**	**1,264,523,422**

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 2024 the average number of personnel employed during the year is 219 (31 December 2023: 229).

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

<u>Approval of the financial statements</u>

The financial statements were approved by the Board of Directors on March 03, 2025. 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

<u>Principles of preparation of financial statements</u>

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.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, 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 2024 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 2024 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:

Year end	Index	Index. %	Conversion Factor
2004	113.86	13.86	23.5776
2005	122.65	7.72	21.8879
2006	134.49	9.65	19.9610
2007	145.77	8.39	18.4163
2008	160.44	10.06	16.7324
2009	170.91	6.53	15.7074
2010	181.85	6.40	14.7624
2011	200.85	10.45	13.3659
2012	213.23	6.16	12.5899
2013	229.01	7.40	11.7224
2014	247.72	8.17	10.8370
2015	269.54	8.81	9.9597
2016	292.54	8.53	9.1767
2017	327.41	11.92	8.1994
2018	393.88	20.30	6.8157
2019	440.50	11.84	6.0943
2020	504.81	14.60	5.3179
2021	686.95	36.08	3.9079
2022	1128.45	64.27	2.3790
2023	1859.38	64.77	1.4438
2024	2684.55	44.83	1.0000

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 2024. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2024 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.

The application of TAS 29 has necessitated adjustments presented in the Net Monetary Position Gains (Losses) line item in the profit or loss section of the statement of profit or loss and other comprehensive income, arising from the decrease in the purchasing power of the Turkish Lira. During periods of inflation, as long as the value of monetary assets or liabilities is not dependent on changes in the index, businesses holding monetary assets that exceed their monetary liabilities experience a weakening of purchasing power, while those with monetary liabilities exceeding their monetary assets see an increase in purchasing power. The net monetary position gain or loss is derived from the adjustment differences of non-monetary items, equity, items in the statement of profit or loss and other comprehensive income, and monetary assets and liabilities indexed to the inflation rate.

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.

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 2024, the accounting policies adopted in preparation of the financial statements as of December 31, 2024, 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, 2024, 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, 2024.

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

In March 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 clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also 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 must be applied retrospectively in accordance with TAS 8.
The amendments did not have a significant impact on the financial position or performance of the Company.

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 recognise 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 recognise 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 retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.
The amendments did not have a significant impact on the financial position or performance of the Company.

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

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 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.
The Company will wait until the final amendment to assess the impacts of the changes.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

c) The amendments which are effective immediately upon issuance

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.
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.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

d) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

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

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.

- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price".

- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

d) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (cont'd)

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

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.

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.

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.

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.

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.

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.

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

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".

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.

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.

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.

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.

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 2024 and 2023, 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.

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 2024, 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 10 for details.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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 10 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 7.

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 26.

Cash Flow Hedging Transactions

As explained in Note 28, the Company uses investment loans amounting to 7,682,775 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 2024	31 December 2023
Cash on hand	1,952	10,782
Demand deposits at bank	34,480,689	3,642,432
Time deposits at bank	189,150,899	1,260,870,208
	223,633,540	**1,264,523,422**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

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

Currency Type	Interest Rate (%)	Maturity	31 December 2024
TL	%47.25-50	02.01.2025	189,150,899
			189,150,899

Currency Type	Interest Rate (%)	Maturity	31 December 2023
TL	%30-46.5	29.03.2024	1,260,870,208
			1,260,870,208

"As of the end of the period, there are no usage restrictions on the Group's bank accounts. (December 31, 2023: None.)"

NOTE 4 – FINANCIAL INVESTMENTS

The details of the Company's financial investments as at 31 December 2024 and 31 December 2023 are as follows:

Short term financial investments	**31 December 2024**	**31 December 2023**
Held-to-maturity securities	313,874,113	-
	313,874,113	**-**

Long term financial investments	**31 December 2024**	**31 December 2023**
Held-to-maturity securities	38,716,438	-
	38,716,438	**-**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 5 - BORROWINGS

The details of the Company's financial liabilities as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Short term bank borrowings	-	536,796,120
Letter of credit borrowings	23,224,926	-
Current portion of long-term borrowings	130,329,850	248,832,397
Total short-term borrowings	**153,554,776**	**785,628,517**
Long-term bank borrowings	160,994,503	123,110,010
Total long-term borrowings	**160,994,503**	**123,110,010**
Total borrowings	**314,549,279**	**908,738,527**

	31 December 2024	31 December 2023
To be paid within 1 year	153,554,776	785,628,517
To be paid between 1-2 years	69,199,876	93,631,168
To be paid between 2-3 years	39,949,873	29,478,842
To be paid between 3-4 years	35,556,909	-
To be paid between 4-5 years	16,287,845	-
	314,549,279	**908,738,527**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 5 - BORROWINGS (cont'd)

Details of the bank loans are as follows:

Currency Type	Weighted Average Effective Interest Rate	31 December 2024 Current	31 December 2024 Non-current
USD	%10.10	9,088,381	-
Euro	%7.56	144,466,395	160,994,503
		153,554,776	**160,994,503**

Currency Type	Weighted Average Effective Interest Rate	31 December 2023 Current	31 December 2023 Non-current
TL	%20.3	85,281,648	-
Euro	%6.9	406,905,318	113,204,897
USD	%8.3	293,441,551	9,905,113
		785,628,517	**123,110,010**

The movement of the Company's financial liabilities as at 31 December 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	908,738,527	1,309,838,275
Purchases	241,314,830	711,119,544
Payments (-)	(605,557,512)	(1,020,668,881)
Exchange differences	21,262,860	369,563,765
Letter of guarantee commission payments	(3,790,355)	(27,051,046)
Interest payments	(39,482,343)	(136,717,118)
Interest expense (Note 25)	29,925,451	125,648,612
Monetary gain	(237,862,179)	(422,994,624)
Closing balance at 31 December	**314,549,279**	**908,738,527**

As of December 31, 2024, the financial commitments in the loan agreement related to the loan with a maturity of February 7, 2025, amounting to 33,643,924 TL (914,177 EURO), (2023: 148,153,137 TL, 4,540,035 AVRO), are as follows:

As of December 31, 2024, the financial commitments in the loan agreement related to the loan with a maturity of June 25, 2029, amounting to 187,011,914 TL (5,081,514 EURO) are as follows:

(i) Max 3x Net Indebtedness / EBITDA ratio

As of December 31, 2024 the Company is fulfilling all of its financial commitments under the loan agreement.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 6 - LEASE LIABILITIES

	31 December 2024	31 December 2023
Short-term lease liabilities	(4,028,195)	(3,465,755)
Total short-term lease liabilities	**(4,028,195)**	**(3,465,755)**
Long-term lease liabilities	(2,626,960)	(2,198,728)
Total long-term lease liabilities	**(2,626,960)**	**(2,198,728)**
Total lease liabilities	**(6,655,155)**	**(5,664,483)**

	31 December 2024	31 December 2023
To be paid within 1 year	(4,028,195)	(3,465,755)
To be paid between 1-2 years	(2,626,960)	(2,049,262)
To be paid between 2-3 years	-	(149,466)
	(6,655,155)	**(5,,664,483)**

The movement of the Company's finance lease payables as at 31 December 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	5,664,483	7,728,731
Purchases	9,211,717	7,076,339
Payments (-)	(6,862,863)	(5,849,738)
Interest expense (Note: 25)	1,274,123	507,881
Monetary gain	(2,632,305)	(3,798,730)
Closing balance at 31 December	**(6,655,155)**	**(5,664,483)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables and Notes Receivable

	31 December 2024	31 December 2023
Trade receivables	69,889,708	82,291,252
Trade receivables from related parties (Note 27)	201,320,949	207,830,247
Impairment provision for trade receivables (-)	(6,473,607)	(7,850,652)
	264,737,050	**282,270,847**

The average period for trade receivables, excluding related parties, is 45 days (December 31, 2023: 34 days). The average period for trade receivables from related parties is 72 days. (December 31, 2023: 52 days).

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

	2024	2023
Opening balance as of 1 January	(7,850,652)	(9,883,306)
Impairment provision for trade receivables	(1,628,842)	(1,940,256)
Collected provisions	637,430	70,214
Monetary gain	2,368,457	3,902,696
	(6,473,607)	**(7,850,652)**

b) Trade Payables

	31 December 2024	31 December 2023
Trade payables	505,123,801	516,858,171
Trade payables to related parties (Note 27)	16,504,536	6,315,806
	521,628,337	**523,173,977**

The average term for trade payables, excluding related parties, is 83 days (December 31, 2023: 74 days).

Trade receivables and payables have been presented by discounting with the effective interest method. The effective interest rate of 40% (December 31, 2023: 37.2%) 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.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Short-term other receivables	31 December 2024	31 December 2023
Incentive accruals (*)	415,141	2,364,383
	415,141	**2,364,383**

Long-term other receivables	31 December 2024	31 December 2023
Deposits and guarantees given	146,324	-
Other receivables	482,920	2,131,112
	629,244	**2,131,112**

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

b) Other Payables

Short-term other payables	31 December 2024	31 December 2023
Other payables to related parties (Note 27)	154,399,276	-
Other	2,520,198	-
	156,919,474	**-**

Explanations regarding the nature and level of risks in other receivables and liabilities have been made in Note 28.

NOTE 9 - INVENTORIES

	31 December 2024	31 December 2023
Finished goods	1,028,316,613	942,718,123
Raw materials	562,704,947	534,943,610
Semi-finished goods	33,988,133	19,646,399
Trade goods	13,580,100	14,648,946
Other inventories	1,261,195	1,748,495
	1,639,850,988	**1,513,705,573**

The cost of stock recognized in the cost of sales is TL 2,012,721,729 (December 31, 2023: TL 2,129,606,117).

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish) terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

	Lands	Land improvements	Buildings	Plant Machinery and Equipment	Vehicles	Furniture & Fixture	Construction in progress	Total
Cost:								
Opening balance as of 1 January 2024	610,791,505	92,972,275	928,509,913	2,034,221,928	24,635,158	97,905,913	2,091,817	**3,791,128,509**
Additions	-	2,389,425	-	146,070,572	10,602,927	2,409,997	368,089,603	**529,562,524**
Transfers from construction in progress	-	-	121,896,756	226,843,072	725,987	20,650,076	(370,115,891)	-
Revaluation gain	15,947,395	22,347,967	43,035,266	-	-	-	-	**81,330,628**
Closing balance on 31 December 2024	**626,738,900**	**117,709,667**	**1,093,441,935**	**2,407,135,572**	**35,964,072**	**120,965,986**	**65,529**	**4,402,021,661**
Accumulated Depreciation:								
Opening balance as of 1 January 2024	-	(50,622,854)	(347,219,767)	(1,014,127,502)	(22,620,668)	(60,742,798)	-	**(1,495,333,589)**
Charge for the period	-	(14,067,140)	(19,511,073)	(182,622,770)	(2,903,984)	(3,249,690)	-	**(222,354,657)**
Revaluation gain	-	(12,659,673)	(1,116,095)	-	-	-	-	**(13,775,768)**
Closing balance on 31 December 2024	**-**	**(77,349,667)**	**(367,846,935)**	**(1,196,750,272)**	**(25,524,652)**	**(63,992,488)**	**-**	**(1,731,464,014)**
Net Book Value	**626,738,900**	**40,360,000**	**725,595,000**	**1,210,385,300**	**10,439,420**	**56,973,498**	**65,529**	**2,670,557,647**

Depreciation expenses amounting to TL 188,519,298 is included in cost of sales and TL 2,493,582 is included in general administrative expenses and TL 31,341,780 is included in the other expenses from main operations

As of December 31, 2024, there are no capitalized finance costs on fixed assets. (31 December 2023: None).

As of December 31, 2024, 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 1,392,693,900 (2023: 1,234,431,072)

(Amounts expressed in Turkish Lira (“TL”) in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (cont’d)

	Lands	Land improvements	Buildings	Plant Machinery % Equipment	Vehicles	Furniture & Fixture	Construction in progress	Total
Cost:								
Opening balance as of 1 January 2023	369,368,578	83,920,382	740,888,636	1,768,750,173	23,843,972	92,938,677	1,575,484	**3,081,285,902**
Additions	-	2,303,214	3,620,488	83,414,738	791,186	4,967,236	516,333	**95,613,195**
Revaluation gain	241,422,927	6,748,679	184,000,789	182,057,017	-	-	-	**614,229,412**
Closing balance as of 31 December 2023	**610,791,505**	**92,972,275**	**928,509,913**	**2,034,221,928**	**24,635,158**	**97,905,913**	**2,091,817**	**3,791,128,509**
Accumulated Depreciation:								
Opening balance as of 1 January 2023	-	(40,639,758)	(267,608,978)	(813,119,708)	(21,758,516)	(57,462,612)	-	**(1,200,589,572)**
Charge for the period	-	(6,536,420)	(11,258,193)	(106,965,646)	(862,152)	(3,280,186)	-	**(128,902,597)**
Revaluation gain	-	(3,446,676)	(68,352,596)	(94,042,148)	-	-	-	**(165,841,420)**
Closing balance as of 31 December 2023	**-**	**(50,622,854)**	**(347,219,767)**	**(1,014,127,502)**	**(22,620,668)**	**(60,742,798)**	**-**	**(1,495,333,589)**
Net Book Value	**610,791,505**	**42,349,421**	**581,290,146**	**1,020,094,426**	**2,014,490**	**37,163,115**	**2,091,817**	**2,295,794,920**

Depreciation and write-off expenses of 102,732,542 TL have been included in the cost of sales, 1,523,393 TL in general administrative expenses, and 24,646,662 TL in other operating expenses.

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	Useful Life
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, 2024, 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, 2024.

	Level 1	**Level 2**	**Level 3**
Land	-	626,738,900	-
Land improvements	-	40,360,000	-
Buildings	-	725,595,000	-
	-	**1,392,693,900**	**-**

NOTE 10 - 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.

The fair values of buildings 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. A value increase of TL 67,554,860 within the year 2024 for lands, plots, underground and above-ground arrangements, buildings 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;

Significant unobservable inputs:	**Price Range**
Price per square meter	4,000 TL

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS

	Rights, Licenses and Computer Software	
	2024	**2023**
Cost:		
Opening balance as of 1 January 2024	7,691,357	7,154,971
Additions	1,654,737	536,386
Closing balance as of 31 December	**9,346,094**	**7,691,357**
Accumulated Amortization:		
Opening balance as of 1 January	(6,193,190)	(5,767,828)
Charge for period	(655,561)	(425,362)
Closing balance as of 31 December	**(6,848,751)**	**(6,193,190)**
Net Book Value	**2,497,343**	**1,498,167**

Depreciation expenses of intangible fixed assets of TL 557,450 (2023: TL 340,127) have been included in the cost of goods sold, TL 7,373 of general administrative expense (2023: TL 5,044), TL 90,739 (2023: TL 80,191) 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 12 - RIGHT OF USE ASSETS

	Vehicles	**Total**
Cost:		
Opening balance as of 1 January 2024	19,201,486	19,201,486
Additions	9,211,717	9,211,717
Disposals	(9,231,668)	(9,231,668)
Closing balance as of 31 December 2024	**19,181,535**	**19,181,535**
Accumulated Amortization:		
Opening balance as of 1 January 2024	(10,024,789)	(10,024,789)
Charge of period	(9,967,269)	(9,967,269)
Disposals	9,231,668	9,231,668
Closing balance as of 31 December 2024	**(10,760,390)**	**(10,760,390)**
Net Book Value	**8,421,145**	**8,421,145**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 12 - RIGHT OF USE ASSETS (Cont'd)

	Vehicles	Total
Cost:		
Opening balance as of 1 January 2023	16,299,955	16,299,955
Additions	7,076,339	7,076,339
Disposals	(4,174,808)	(4,174,808)
Closing balance as of 31 December 2023	**19,201,486**	**19,201,486**
Accumulated Amortization:		
Opening balance as of 1 January 2023	(6,627,939)	(6,627,939)
Charge for the period	(7,149,814)	(7,149,814)
Disposals	3,752,964	3,752,964
Closing balance as of 31 December 2023	**(10,024,789)**	**(10,024,789)**
Net Book Value	**9,176,697**	**9,176,697**

The average term for vehicle lease agreements is 24 months. (2023: 32)

Accounted for in profit or loss	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Depreciation expense on right-of use assets	(9,967,269)	(7,149,814)
Interest expense on lease liabilities	(1,274,123)	(507,881)
Expenses related to variable lease payments not included in the measurement of lease liabilities	(10,294,377)	(3,014,706)
Total	**(21,535,769)**	**(10,672,401)**

	1 January - 31 December 2024	**1 January - 31 December 2023**
Fixed payments	6,862,863	5,849,738
Variable payments	10,294,377	3,014,706
Total	**17,157,240**	**8,864,444**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Litigation provisions:

	31 December 2024	31 December 2023
Litigation provisions	2,589,694	3,121,242
	2,589,694	**3,121,242**

The movement of provisions for litigation is as follows:

	2024	2023
Opening balance as of 1 January	3,121,242	3,181,720
Charged for the period	1,002,375	2,738,122
Litigation paid	(563,887)	(1,095,825)
Monetary gain	(970,036)	(1,702,775)
Closing balance as of 31 December	**2,589,694**	**3,121,242**

b) Guarantees, pledges and mortgages:

31 December 2024

GPMs given by the Company (Guarantees – Pledges – Mortgages)	Total TL Equivalents	USD	EUR	TL
A, Given in the Name of Its Own Legal Entity Total amount of GPMs	1,996,690,264	8,083,000	42,939,618	132,873,675
-Guarantees	*277,187,664*	*1,083,000*	*2,939,618*	*132,873,675*
-Mortgage	*1,719,502,600*	*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	-	-	-	-
Total	**1,996,690,264**	**8,083,000**	**42,939,618**	**132,873,675**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

31 December 2023

GPMs given by the Company (Guarantees – Pledges – Mortgages)	**Total TL Equivalents**	**USD**	**EUR**	**TL**
A, , Given in the Name of Its Own Legal Entity Total amount of GPMs	3,230,590,297	15,108,000	50,662,451	200,365,670
-Guarantees	*1,047,954,182*	*8,108,000*	*10,662,451*	*200,365,670*
-Mortgages	*2,182,636,115*	*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	-	-	-	-
Total	**3,230,590,297**	**15,108,000**	**50,662,451**	**200,365,670**

NOTE 14 – EMPLOYEE BENEFITS

a) Provisions related to employee benefits:

	31 December 2024	**31 December 2023**
Social security premiums payable	5,786,629	5,802,756
Payables to personnel	782,373	447,319
	6,569,002	**6,250,075**

b) Provisions:

	31 December 2024	**31 December 2023**
Unused vacation provision	6,727,761	3,735,711
Retirement pay provision	10,352,963	7,357,669
	17,080,724	**11,093,380**

c) Unused vacation provision:

	2024	**2023**
Opening balance as of 1 January	3,735,711	2,766,869
Increase during the period	6,958,632	4,613,847
Paid during the period (-)	(2,206,271)	(1,926,034)
Monetary gain	(1,760,311)	(1,718,971)
Closing balance at 31 December	**6,727,761**	**3,735,711**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 14 – 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 2024 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 2023: 3.50%). The maximum amount of TL 46,655.43 effective from 1 January 2025 has been taken into consideration in the calculation of the Company's provision for employment termination benefits (1 January 2024: TL 35,058.58).

	2024	**2023**
Opening balance as of 1 January	7,357,669	6,762,778
Service cost	7,503,162	7,487,897
Interest cost	209,427	187,805
Actuarial gain	(153,383)	(60,789)
Retirements benefits paid (-)	(1,559,507)	(3,362,827)
Monetary gain	(3,004,405)	(3,657,195)
Closing balance as of 31 December	**10,352,963**	**7,357,669**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 15 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2024	31 December 2023
VAT carried forward	210,260,738	179,386,851
Other	1,087,643	34,114
	211,348,381	**179,420,965**

Short-Term Liabilities	31 December 2024	31 December 2023
Taxes and funds payable	6,367,225	3,610,636
	6,367,225	**3,610,636**

NOTE 16 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Short-Term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid expenses	7,111,300	4,878,371
Order advances given	6,572,507	2,321,258
Business advances given	84,540	31,111
	13,768,347	**7,230,740**

Long Term Prepaid Expenses	31 December 2024	31 December 2023
Order advances given for the purchase of tangible assets	41,399,862	-
	41,399,862	**-**

NOTE 17 - Equity

a) Equity:

The paid-in capital structure of the Company as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
TFI TAB Gıda Yatırımları A.Ş.	79.7	110,544,000	79.7	110,544,000
Publicly traded	20.3	28,224,000	20.3	28,224,000
Nominal Capital	**100**	**138,768,000**	**100**	**138,768,000**
Inflation adjustment		857,208,495		857,208,495
Adjusted Capital		**995,976,495**		**995,976,495**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 17 – EQUITY (Cont'd)

b) Legal Reserves

	31 December 2024	31 December 2023
Legal reserve fund	185,835,117	-
	185,835,117	**-**

c) Treasury Shares

	31 December 2024	31 December 2023
Payments related to Treasury Shares (*)	(6,680,603)	-
	(6,680,603)	**-**

(*) The company repurchased 131,000 of its own shares in 2024 for a total consideration of TL 6,680,603. There were no repurchased shares in previous periods. The repurchased shares have been deducted from equity in accordance with IAS 32 'Financial Instruments: Presentation' and have not been recognized as a financial asset.

d) Analyses of Other Comprehensive Income Items

As of 31 December 2024 and 2023, 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:

Not to be reclassified to profit or loss	**31 December 2024**	**31 December 2023**
Gain on revaluation and measurement	811,309,101	759,646,246
Loss on remeasurement of defined benefit plans	373,429	258,392
	811,682,530	**759,904,638**

To be reclassified to profit or loss	**31 December 2024**	**31 December 2023**
Cash flow hedging losses	(43,041,329)	(173,324,547)
	(43,041,329)	**(173,324,547)**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 17 – EQUITY (Cont'd)

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:

Equity	PPI Indexed Legal Records	CFI Indexed Legal Records	Differences to be Followed in past Years' Profit
Equity adjustment differences	867,532,093	857,208,495	10,323,598

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:

Prior Year Profits	Pre-Inflation Amount	Post-Inflation Amount
1 January 2024	602,882,671	1,224,913,059
1 January 2023	386,290,104	1,125,041,368

NOTE 18 – SHARE BASED PAYMENTS

The calculation of earnings per share and diluted earnings per share attributable to the shareholders of the parent company is presented below:

	1 January – 31 December 2024	1 January – 31 December 2023
Net profit for the period attributable to the shareholders of the parent company	182,951,797	426,920,327
Weighted average number of shares outstanding during the period	138,741,750	126,705,240
Earnings Per Share	**1.32**	**3.37**

(Amounts expressed in Turkish Lira (“TL”) in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 19 – NET MONETARY POSITION GAINS/(LOSSES) DISCLOSURES

Non monetary items	1 January – 31 December 2024
Financial statement items	**(603,996,194)**
Prepaid expenses	7,391,797
Inventories	143,378,366
Right-of-use assets	1,938,914
Tangible fixed assets	739,165,051
Intangible assets	303,701
Deferred tax assets	186,068,970
Paid-in capital	(61,583,534)
Share issue premiums	(345,273,458)
Accumulated other comprehensive income/(expenses) to be reclassified to profit or loss	(702,540,989)
Retained earnings	(558,901,453)
Income Statement Items	**419,566,904**
Revenue	(493,192,394)
Cost of sales (-)	874,159,040
General administrative expenses (-)	22,067,078
Other income from operating activities	(11,106,217)
Other expense from operating activities (-)	34,857,203
Income from investing activities	(47,468,797)
Expense from investing activities (-)	1,319,364
Finance expenses (-)	32,250,602
Income tax expense (-)	6,681,025
Net monetary position losses	**(170,485,731)**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 20 – REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2024	1 January - 31 December 2023
Sales	3,278,293,688	3,700,904,460
Sales return (-)	(24,107,615)	(21,850,093)
	3,254,186,073	**3,679,054,367**

	1 January - 31 December 2024	1 January - 31 December 2023
Sales in Turkey	2,780,008,116	3,107,073,826
Export sales	474,177,957	571,980,541
	3,254,186,073	**3,679,054,367**

b) Cost of sales

	1 January - 31 December 2024	1 January - 31 December 2023
Raw materials	(2,012,721,729)	(2,129,606,117)
General production expenses	(202,067,662)	(242,263,755)
Personnel expenses	(190,613,547)	(120,289,761)
Depreciation expenses (Note: 10,11)	(189,076,748)	(103,072,669)
Transportation expenses	(69,394,018)	(89,727,819)
Depreciation and redemption shares from leasing transactions	(9,439,577)	(6,920,617)
Insurance expenses	(8,736,699)	(4,036,765)
Maintenance and repair expenses	(3,820,134)	(2,366,254)
Rent expenses	(9,836,749)	(2,635,409)
Fuel expenses	(3,063,110)	(2,828,994)
Stamp, fee and other tax expenses	(1,773,297)	(1,555,166)
Other	(50,533,441)	(46,423,203)
	(2,751,076,711)	**(2,751,726,529)**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 21 – GENERAL ADMINISTRATION EXPENSES

a) General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Consultancy expenses	(66,679,108)	(57,319,153)
Personnel expenses	(54,018,777)	(41,206,983)
Insurance expenses	(3,470,666)	(2,018,812)
Office and general administrative expenses	(3,454,004)	(4,160,796)
Depreciation and amortization expenses (Note: 10,11)	(2,500,955)	(1,528,437)
Electricity and fuel expenses	(2,311,261)	(2,773,531)
Doubtful receivables provisions	(1,628,842)	(1,940,256)
Duties, fees and other tax expenses	(562,204)	(655,571)
Deprecation and amortization expenses from lease transactions	(527,692)	(229,197)
Rent expenses	(457,628)	(379,297)
Litigation provisions (Note: 13)	(438,488)	(1,642,297)
Other	(6,581,627)	(4,827,674)
	(142,631,252)	**(118,682,004)**

NOTE 22 – EXPENSE BY NATURE

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

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(189,076,748)	(103,072,669)
General administrative expenses	(2,500,955)	(1,528,437)
Other expenses	(31,432,519)	(24,726,853)
	(223,010,222)	**(129,327,959)**

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

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(9,439,577)	(6,920,617)
General administrative expenses	(527,692)	(229,197)
	(9,967,269)	**(7,149,814)**

(Amounts expressed in Turkish Lira ("TL") in (Convenience translation of financial statements originally issued in Turkish)
terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 22 – EXPENSE BY NATURE (Cont'd)

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

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(190,613,547)	(120,289,761)
General administrative expenses	(54,018,777)	(41,206,983)
	(244,632,324)	**(161,496,744)**

NOTE 23 – OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain from trade receivables	62,916,074	87,407,289
Rediscount income	1,049,794	28,452,801
Government incentives for export	1,677,957	2,374,055
Provision for doubtful receivables (Note: 7)	637,430	70,214
Other	11,133,424	12,252,760
	77,414,679	**130,557,119**

b) Other operating expense

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange losses from trade payables	(41,177,813)	(36,405,725)
Non-operating part expense	(21,727,852)	(33,037,670)
Non-operating part depreciation expense	(31,432,519)	(24,726,853)
Rediscount expense	(4,843,425)	(12,692,930)
Other	(2,590,618)	(9,163,108)
	(101,772,227)	**(116,026,286)**

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terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 24 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	169,997,702	176,410,319
Foreign exchange gains related to investing activities	19,001,859	31,864,798
Participation share revenue	131,380,653	29,581,439
	320,380,214	**237,856,556**

b) Expense from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange losses related to investing activities	(12,633,957)	(5,714,437)
Other	-	(165,827)
	(12,633,957)	**(5,880,264)**

NOTE 25 – FINANCE INCOME AND FINANCE EXPENSES

a) Finance expense

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange losses from financial liabilities	(176,518,442)	(369,563,765)
Interest expense	(29,925,451)	(125,648,612)
Letter of guarantee commissions	(4,032,633)	(27,051,046)
Foreign exchange losses related to lease liabilities	(1,274,123)	(507,881)
Other financing expenses	(5,193,354)	(678,031)
	(216,944,003)	**(523,449,335)**

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NOTE 26 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	1 January - 31 December 2024	1 January - 31 December 2023
Current tax expense	(40,157,880)	(137,402,702)
Deferred tax income	(33,327,408)	(11,537,297)
	(73,485,288)	**(148,939,999)**

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 2024, the statutory tax rate is 25% (31 December 2023: %25).

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

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NOTE 26 – 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, 2024, the Company has reflected a tax advantage of TL 242,870,064 (December 31, 2023: TL 214,281,158) 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, 2024, a deferred tax expense of TL 28,588,906 was incurred in the profit or loss statement for the period January 1 – December 31, 2024.

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, 2024, 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.

	31 December 2024	**31 December 2023**
Provision for current period corporate tax	(40,157,880)	(48,605,568)
Earthquake tax	-	(63,464,920)
Tax arising from base increase	-	(25,332,214)
Less: Prepaid taxes and funds	31,614,118	121,812,227
Tax liability for current period	**(8,543,762)**	**(15,590,475)**

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NOTE 26 – 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 63,464,920 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, 2024, 25% has been used on temporary differences expected to reverse.

The deferred tax asset and liabilities consist of the following:

	31 December 2024	**31 December 2023**
Investment incentives	(242,870,064)	(214,281,158)
Revaluation and depreciation differences of tangible fixed assets / amortization differences of intangible assets	(41,581,761)	(156,200,639)
Provision for doubtful receivables	(1,618,401)	(1,962,663)
Provision for employment termination benefit	(2,588,240)	(1,839,417)
Provision for unused vacation	(1,681,940)	(933,927)
Trade receivables / payables rediscount (net)	5,251,452	7,293,935
Inventory adjustment	33,097,983	25,869,781
Other	2,314,286	(308,095)
	(249,676,685)	**(342,362,183)**

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NOTE 26 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

As of 31 December 2024, and 2023, the movement of deferred tax (asset)/liability for the periods ended are as follows:

	2024	**2023**
Opening balance as of 1 January	(342,362,183)	(347,625,080)
Accounted for in the income statement	33,327,408	11,537,299
Accounted under equity	59,358,090	(6,274,402)
Closing balance on 31 December	**(249,676,685)**	**(342,362,183)**

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

	1 January - 31 December 2024	**1 January - 31 December 2023**
Profit/(loss) before tax	256,437,085	575,860,327
Calculated tax	(64,109,271)	(143,965,082)
- legally unrecognized expenses	(1,129,054)	(40,128,976)
- tax effect related to cash flow hedging accounting	(43,427,739)	17,782,241
- the effect of earthquake tax	-	(63,464,920)
- tax effect resulting from the increase in tax base	-	(25,332,214)
- deductible exceptions even in the case of loss	4,848,172	-
- other	10,873,448	(1,811,574)
- investment incentive deduction	94,454,089	118,392,693
Monetary loss	(74,994,933)	(10,412,167)
Tax provision (expense)/income in the income statement	**(73,485,288)**	**(148,939,999)**

NOTE 27 – 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 27 – RELATED PARTY DISCLOSURES (cont'd)

31 December 2024 **Balances with related parties**	**Trade Receivables Current**	**Trade Payables Current**	**Other Payables Current**	**Deferred Income**
Main shareholder				
TFI TAB Gıda Yatırımları A.Ş.	-	(5,875,141)	-	-
Other related parties				
Pangea Foods (China) Holdings Ltd.	195,758,880	-	-	-
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	-	-	(154,399,276)	-
Atasancak Acıpayam Tarım İşletmesi San.ve Tic. A.Ş.	1,923,327	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	3,463,511	-	-	-
Atp Ticari Bilgi Elk. Güç Kaynakları A.Ş.	-	(1,375,687)	-	-
Arbeta Turizm Org. ve Tic A.Ş.	-	(53,113)	-	-
Ekur İnşaat San. Ve Tic. A.Ş.	175,232	(9,192,547)	-	-
Tab Gıda A.Ş.	-	(8,048)	-	-
	201,320,950	**(16,504,536)**	**(154,399,276)**	**-**

31 December 2023 **Balances with related parties**	**Trade Receivables Current**	**Trade Payables Current**	**Other Payables Current**	**Deferred Income**
Main shareholder				
TFI TAB Gıda Yatırımları A.Ş.	-	(5,628,526)	-	-
Other related parties				
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	5,439,121	-	-	-
Pangea Foods (China) Holdings Ltd.	196,362,706	-	-	-
Atasancak Acıpayam Tarım İşletmesi San.ve Tic. A.Ş.	3,496,282	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	2,532,138	-	-	-
Arbeta Turizm Org. ve Tic A.Ş.	-	(156,434)	-	-
Atp Ticari Bilgi Elk. Güç Kaynakları A.Ş.	-	(530,846)	-	-
	207,830,247	**(6,315,806)**	**-**	**-**

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terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 27 – RELATED PARTY DISCLOSURES (cont'd)

1 January - 31 December 2024 **Transaction with related parties**	**Purchases**	**Sales**	**Interest Expense**	**Finance Expense**	**Other Income**
Main shareholder					
TFI TAB Gıda Yatırımları A.Ş.	(52,760,677)	-	-	-	-
Other related parties					
Fasdat Gıda Dağıtım Sanayi ve Ticaret A.Ş.	-	1,936,720,693	-	-	52,003
Arbeta Turizm Org.ve Tic.A.Ş.	(790,862)	-	-	-	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(1,811,076)	-	-	-	-
Ekur İnşaat San.Tic.A.Ş.	(67,278,611)	-	-	(421,412)	1,323
Ekur Et Entegre San. ve Tic. A.Ş.	(1,445,984)	2,367,167	-	-	-
Mes Mutfak Ekip San. Ve Serv. Hiz. Tic. A.Ş.	(5,590)	-	-	-	-
Pangea Foods (China) Holdings Ltd.	-	443,660,270	-	-	-
Atasancak Acıpayam Tarım İşletmesi San.ve Tic. A.Ş.	-	15,546,854	-	-	-
TAB Gıda Sanayi ve Ticaret A.Ş.	(7,961)	-	-	-	-
	(124,100,761)	**2,398,294,984**	**-**	**(421,412)**	**53,326**

1 January - 31 December 2023 **Transaction with related parties**	**Purchases**	**Sales**	**Interest Expense**	**Finance Expense**	**Other Income**
Main shareholder					
TFI TAB Gıda Yatırımları A.Ş.	(39,880,885)	-	-	-	-
Other related parties					
TAB Gıda Sanayi ve Ticaret A.Ş.	-	-	(545,052)	-	-
Fasdat Gıda Dağıtım Sanayi ve Ticaret A.Ş.	-	1,691,651,376	(921,616)	-	63,693
Arbeta Turizm Org.ve Tic.A.Ş.	(1,595,923)	-	-	(119,795)	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(637,072)	-	-	(784,319)	-
Ekur İnşaat San.Tic.A.Ş.	(312,021)	-	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	(169,430)	2,356,324	-	-	-
Pangea Foods (China) Holdings Ltd.	(128,033)	516,749,401	-	-	-
Atasancak Acıpayam Tarım İşletmesi San.ve Tic. A.Ş.	-	21,838,588	-	-	-
	(42,723,364)	**2,232,595,689**	**(1,466,667)**	**(904,114)**	**63,693**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 27 – RELATED PARTY DISCLOSURES (cont'd)

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

	1 January - 31 December 2024	1 January - 31 December 2023
Salaries and other short-term benefits	12,869,577	5,946,767
	12,869,577	**5,946,767**

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 28 – 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 5, and equity items, including cash and cash equivalents described in Note 3, issued capital described in Note 17, 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.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

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

	2024	**2023**
Total borrowings	314,549,279	908,738,527
Less: Cash and cash equivalents	223,633,540	1,264,523,422
Net debt	**90,915,739**	**(355,784,895)**
Total equity	**4,645,452,953**	**4,428,334,170**

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.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

2024	Trade receivables related party	Trade receivables other party	Other receivables other party	Bank deposits
Maximum credit risk exposed (A+B+C+D+E)	**201,320,949**	**63,416,101**	**415,141**	**576,222,139**
- The part of maximum risk under guarantee with collateral	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	201,320,949	63,416,101	415,141	576,222,139
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	-	6,473,607	-	-
- Impairment	-	(6,473,607)	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

2023	**Trade receivables related party**	**Trade receivables other party**	**Other receivables other party**	**Bank deposits**
Maximum credit risk exposed (A+B+C+D+E)	**207,830,247**	**74,440,600**	**2,364,383**	**1,264,512,640**
- The part of maximum risk under guarantee with collateral	**-**		**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	207,830,247	74,440,600	2,364,383	1,264,512,640
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.	-	-	-	-
D. Net book value of impaired assets				
- Gross carrying amount	-	7,850,652	-	-
- Impairment	-	(7,850,652)	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – 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:

2024	**Carrying value**	**Contractual cash flows**	**Less than 3 months**	**Between 3-12 months**	**1 year and over**
Bank loans	314,549,279	343,030,659	33,842,692	90,940,188	218,247,779
Lease liabilities	6,655,155	7,618,661	1,465,372	3,526,329	2,626,960
Trade payables (Related parties included)	521,628,337	545,170,896	545,078,826	92,070	-
Other payables (Related parties included)	156,919,474	156,919,474	156,919,474	-	-
	999,752,245	**1,052,739,690**	**737,306,364**	**94,558,587**	**220,874,739**

2023	**Carrying value**	**Contractual cash flows**	**Less than 3 months**	**Between 3-12 months**	**1 year and over**
Bank loans	908,738,527	940,211,344	443,591,060	373,510,274	123,110,010
Lease liabilities	5,664,483	6,484,564	1,280,052	3,005,784	2,198,728
Trade payables (Related parties included)	523,173,977	556,409,309	556,409,309	-	-
Other payables (Related parties included)	-	-	-	-	-
	1,437,576,987	**1,503,105,217**	**1,001,280,421**	**376,516,058**	**125,308,738**

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.

NOTE 28 – 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:

	31 December 2024		
	Total TL equivalent	**USD**	**EUR**
1, Trade Receivables	196,083,923	-	5,328,020
2a, Monetary Financial Assets	30,943,111	62,307	780,953
2b, Non-Monetary Financial Assets	40,539,901	40,549	1,062,614
3, Other	-	-	-
4, Current Assets	**267,566,935**	**102,856**	**7,171,587**
5, Trade Receivables	-	-	-
6a, Monetary Financial Assets	-	-	-
6b, Non-Monetary Financial Assets	-	-	-
7, Other	-	-	-
8, Non-Current assets	-	-	-
9, Total Assets (4+8)	**267,566,935**	**102,856**	**7,171,587**
10, Trade Payables	133,666,656	2,789,059	960,028
11, Financial Liabilities	153,554,776	257,605	3,932,535
12a, Other Monetary Liabilities	-	-	-
12b, Other Non-Monetary Liabilities	-	-	-
13, Short Term Liabilities	**287,221,432**	**3,046,664**	**4,892,563**
14, Trade Payables	-	-	-
15, Financial Liabilities	160,994,503	-	4,382,448
16a, Other Monetary Liabilities	-	-	-
16b, Other Non-Monetary Liabilities	-	-	-
17, Long Term Liabilities	**160,994,503**	**-**	**4,382,448**
18, Total Liabilities (13+17)	**448,215,935**	**3,046,664**	**9,275,011**
19, Amounts Subject to Cash Flow Hedging Accounting	**282,235,975**	**-**	**7,682,775**
20, Net Foreign Exchange Asset / Liability Position After Cash Flow Hedging Accounting (9-18+19)	**101,586,975**	**(2,943,808)**	**5,579,351**
21, Net Monetary Items Foreign Exchange Asset / Liability Position (9-18)	**(180,649,000)**	**(2,943,808)**	**(2,103,424)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

	31 December 2023		
	Total TL equivalent	**USD**	**EUR**
1, Trade Receivables	196,371,176	-	4,175,463
2a, Monetary Financial Assets	179,418	1,039	2,876
2b, Non-Monetary Financial Assets	2,254,561	-	47,939
3, Other	-	-	-
4, Current Assets	**198,805,155**	**1,039**	**4,226,278**
5, Trade Receivables	-	-	-
6a, Monetary Financial Assets	-	-	-
6b, Non-Monetary Financial Assets	-	-	-
7, Other	-	-	-
8, Non-Current Assets	-	-	-
9, Total Assets (4+8)	**198,805,155**	**1,039**	**4,226,278**
10, Trade Payables	149,296,963	3,344,114	152,323
11, Financial Liabilities	700,346,875	6,904,099	8,652,075
12a, Other Monetary Liabilities	-	-	-
12b, Other Non-Monetary Liabilities	-	-	-
13, Short Term Liabilities	**849,643,838**	**10,248,213**	**8,804,398**
14, Trade Payables	-	-	-
15, Financial Liabilities	123,109,984	233,048	2,407,088
16a, Other Monetary Liabilities	-	-	-
16b, Other Non-Monetary	-	-	-
17, Long Term Liabilities	**123,109,984**	**233,048**	**2,407,088**
18, Total Liabilities (13+17)	**972,753,822**	**10,481,261**	**11,211,486**
19, Amounts Subject to Cash Flow Hedging Accounting	**520,598,826**	**-**	**11,069,553**
20, Net Foreign Exchange Asset / Liability Position After Cash Flow Hedging Accounting (9-18+19)	**(253,349,841)**	**(10,480,222)**	**4,084,345**
21, Net Monetary Items Foreign Exchange Asset /Liability Position (9-18)	**(773,948,667)**	**(10,480,222)**	**(6,985,208)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

	31 December 2024		31 December 2023	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of 10% change in USD against TL	(10,385,187)	10,385,187	(30,851,887)	30,851,887
In case of 10% change in EUR against TL	20,543,890	(20,543,890)	13,304,305	(13,304,305)
Total	**(10,158,703)**	**10,158,703**	**(17,547,582)**	**17,547,582**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

Foreign currency sensitivity

The table above shows the sensitivity of the Company to a 10% (2023: 10%) increase and decrease in USD and EUR rates. The 10% (2023: 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% (2023: 10%) exchange rate change at the end of the year. A negative value represents a decrease in pre-tax income resulting from a 10% (2023: 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, 2024, and 2023, are as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Total export amount	474,177,957	571,980,541
Total import amount	169,477,824	5,700,516

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:

Fixed-rate financial instruments	**31 December 2024**	**31 December 2023**
Bank loans	118,213,962	829,565,152
Lease liabilities	6,655,155	5,664,483
Trade payables (Related parties included)	521,628,337	523,173,977
Other payables (Related parties included)	156,919,474	-
Floating rate financial instruments		
Bank loans	196,335,317	79,173,375

As of December 31, 2024, 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 9,706,787 TL related to variable interest bank loans (December 31, 2023: 3,914,319 TL).

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

31 December 2024	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Fair value (*)	Notes
Financial assets				
Cash and cash equivalents	223,633,540	-	223,633,540	3
Financial investments	352,590,551		352,590,551	4
Trade receivables (related parties included)	262,268,132	-	264,737,050	7
Other receivables (related parties included)	1,044,385	-	1,044,385	7
Financial liabilities				
Bank loans	-	343,030,659	314,549,279	5
Trade payables (related parties included)	-	498,085,778	521,628,337	7
Other payables (related parties included)	-	156,919,474	156,919,474	8
Lease liabilities	-	6,655,155	6,655,155	6

31 December 2023	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Fair value (*)	Notes
Financial assets				
Cash and cash equivalents	1,264,523,422	-	1,264,523,422	3
Trade receivables (related parties included)	282,270,847	-	282,270,847	7
Other receivables (related parties included)	4,495,495	-	4,495,495	7
Financial liabilities				
Bank loans	-	908,738,527	899,233,177	5
Trade payables (related parties included)	-	523,173,977	523,173,977	7
Lease liabilities	-	5,664,483	5,664,483	6

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

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 28 – 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, 2024, the amount of loans associated in this context is 7,682,775 Euros (282,235,975 TL). The exchange difference expense accounted for in equity after tax is (43,041,329) TL.

NOTE 29 – DERIVATIVE INSTRUMENTS

As of December 31, 2024 and 2023, assets and liabilities arising from derivative instruments consists of interest rate swap transactions. The details are as follows:

	2024	**2023**
Assets arising from derivative instruments	6,829,683	5,097,958
	6,829,683	**5,097,958**

31 December 2024 **Currency type**	**Currency**	**Original** **contract value**	**Asset**
Derivative instruments	EUR	7,729,679	6,829,683
		7,729,679	**6,829,683**

31 December 2023 **Currency type**	**Currency**	**Original** **contract value**	**Liability**
Derivative instruments	EUR	6,537,650	5,097,958
		6,537,650	**5,097,958**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

NOTE 29 – 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).

31 December 2024	**Level 1**	**Level 2**	**Level 3**
Financial assets arising from derivative instruments	-	6,829,683	-
	-	**6,829,683**	**-**

31 December 2023	**Level 1**	**Level 2**	**Level 3**
Financial assets arising from derivative instruments	-	5,097,958	-
	-	**5,097,958**	**-**

NOTE 30 – 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:

	2024	**2023**
Independent auditor's fee	2,925,000	4,785,840
	2,925,000	**4,785,840**

NOTE 31 – SUBSEQUENT EVENTS

- The Company has repurchased 90,000 of its own shares through the stock exchange in 2025.

-The main shareholder of Atakey Patates Gıda Sanayi ve Ticaret A.Ş., TFI TAB Gıda Yatırımları A.Ş., has transferred the entire Burger King China operations.
As of February 14, 2025, the transactions to be carried out with Pangaea Foods (China) Holdings Ltd are not considered related party transactions.