

**KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2023
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND THE CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

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

		Audited	Restated(*)	Restated(*)
		Current Period	Audited	Audited
		31 December	Prior Period	Prior Period
	Notes	2023	31 December	31 December
			2022	2021
ASSETS				
Current Assets		8,839,588,172	11,414,855,084	9,372,043,065
Cash and cash equivalents	29	44,397,599	453,330,768	175,898,669
Trade receivables	6	2,661,844,302	3,060,393,433	2,888,657,330
- Trade receivables from related parties	5	1,434,519,380	1,760,795,722	1,608,548,073
- Trade receivables from third parties	6	1,227,324,922	1,299,597,711	1,280,109,257
Other receivables	7	1,924,199,642	3,682,222,581	3,337,885,264
- Other receivables from related parties	5	1,787,421,740	3,593,247,872	3,320,805,361
- Other receivables from third parties	7	136,777,902	88,974,709	17,079,903
Inventories	8	3,358,503,127	3,162,705,792	2,662,314,865
Prepaid expenses	9	465,755,938	700,592,898	91,602,971
Current income tax assets	25	161,147,020	11,117,065	59,301,392
Other current assets	18	223,740,544	344,492,547	156,382,574
Non-Current Assets		7,284,222,289	5,982,688,003	5,403,433,884
Other receivables	7	3,871,866	3,729,937	4,221,094
- Other receivables from third parties	7	3,871,866	3,729,937	4,221,094
Investment properties	10	1,327,753,640	831,973,414	633,117,964
Property, plant and equipment	11	5,406,572,454	4,892,968,388	4,460,151,472
Right of use assets	12	35,047,724	21,576,145	25,484,211
Intangible assets	13	232,627,242	153,443,482	122,850,452
Prepaid expenses	9	22,010,344	9,649,611	8,164,566
Deferred tax assets	25	256,339,019	69,347,026	149,444,125
TOTAL ASSETS		16,123,810,461	17,397,543,087	14,775,476,949

(*) Restatement effects have been explained in Note 2.3.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

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

	Notes	Audited Current Period 31 December 2023	Restated(*) Audited Prior Period 31 December 2022	Restated(*) Audited Prior Period 31 December 2021
LIABILITIES				
Current Liabilities				
Short-term borrowings	27	6,905,492,035	8,058,969,833	7,690,722,505
- Bank loans	27	2,098,559,412	2,621,152,191	3,657,391,899
- Lease liabilities	27	2,047,500,208	2,568,209,375	3,548,385,643
- Lease liabilities	27	51,059,204	52,942,816	109,006,256
Current portion of long-term financial liabilities		171,991,641	-	-
Trade payables	6	3,970,251,188	3,822,301,617	2,898,278,756
- Trade payables to related parties	5	36,079,305	22,876,668	46,404,225
- Trade payables to third parties	6	3,934,171,883	3,799,424,949	2,851,874,531
Other payables	7	100,232,222	1,031,960,975	868,921,650
- Other payables to related parties	5	100,114,469	1,031,837,737	862,863,750
- Other payables to third parties	7	117,753	123,238	6,057,900
Payables related to employee benefits		83,258,587	62,241,356	50,799,123
Deferred income	9	89,678,634	109,056,094	100,272,054
Current income tax liabilities	25	125,936,987	150,729,066	463,523
Short-term provisions		151,215,168	107,641,172	78,846,572
- Short-term provisions for employee benefits	17	113,580,954	86,762,077	51,595,166
- Other short-term provisions	15	37,634,214	20,879,095	27,251,406
Other current liabilities	18	114,368,196	153,887,362	35,748,928
Non-Current Liabilities		1,931,774,997	1,954,509,832	2,279,242,356
Long-term borrowings	27	472,239,703	209,227,839	323,934,674
- Bank loans	27	322,446,288	-	-
- Lease liabilities	27	149,793,415	209,227,839	323,934,674
Other payables	7	572,839,666	921,543,319	1,538,575,704
- Other payables to related parties	5	572,839,666	921,543,319	1,537,837,718
- Other payables to third parties	7	-	-	737,986
Long-term provisions		223,545,258	260,667,432	168,976,332
- Long-term provisions for employee benefits		223,545,258	260,667,432	168,976,332
Deferred income	9	9,562,036	4,953,876	431,676
Deferred tax liabilities	25	653,588,334	558,117,366	247,323,970
Total Liabilities		8,837,267,032	10,013,479,665	9,969,964,861
EQUITY				
Paid in capital	19	662,000,000	662,000,000	662,000,000
Share capital adjustment differences		2,982,962,456	2,982,962,456	2,982,962,456
Other comprehensive income or expenses are not reclassified to profit or loss		1,608,691,024	783,732,279	-
- Gains on revaluation of plant, property and equipment		1,717,239,589	866,680,487	-
- Losses on remeasurement of defined benefit plans		(108,548,565)	(82,948,208)	-
Other comprehensive income or expenses to be reclassified to profit or loss		478,124,671	543,790,661	631,111,963
- Currency translation differences		478,124,671	543,790,661	631,111,963
Share premium		446,745,634	446,745,634	446,745,634
Restricted reserves	19	400,098,734	396,742,627	405,280,076
Effect of business combinations under common control		(946,217,099)	342,312,082	97,194,249
Retained earnings / (losses)		715,599,239	(626,633,974)	(670,426,255)
Net profit / (loss) for the year		583,820,478	1,342,233,213	(386,020,794)
Equity holders of the parent		6,931,825,137	6,873,884,978	4,168,847,329
Non-controlling interests		354,718,292	510,178,444	636,664,759
Total Equity		7,286,543,429	7,384,063,422	4,805,512,088
TOTAL LIABILITIES AND EQUITY		16,123,810,461	17,397,543,087	14,775,476,949

(*) Restatement effects have been explained in Note 2.3.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OR COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

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

		Audited Current Year 1 January - 31 December 2023	Restated(*) Audited Prior Year 1 January - 31 December 2022
	Notes		
Revenue	20	18,907,555,329	24,248,480,443
Cost of sales (-)	20	(15,074,508,641)	(20,432,251,517)
Gross profit		3,833,046,688	3,816,228,926
General administrative expenses (-)	21	(465,630,390)	(338,886,723)
Marketing expenses (-)	21	(1,633,013,483)	(1,427,530,192)
Research and development expenses (-)	21	(20,490,952)	(25,012,806)
Other income from operating activities	22	198,673,539	404,784,342
Other expenses from operating activities (-)	22	(1,202,967,174)	(1,396,029,207)
OPERATING PROFIT		709,618,228	1,033,554,340
Income from investment activities	23	1,051,386,921	930,106,728
Investing activities expenses (-)	23	(179,313,648)	(68,186,932)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSE)		1,581,691,501	1,895,474,136
Financial income	24	10,512,266	25,063,735
Financial expenses (-)	24	(1,322,697,192)	(671,467,228)
Net monetary gain		73,982,463	552,471,826
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		343,489,038	1,801,542,469
Tax expense from continuing operations		93,222,340	(551,252,534)
- Current tax expense (-)	25	(222,282,521)	(471,493,156)
- Deferred tax income / (expense)	25	315,504,861	(79,759,378)
PROFIT FOR THE YEAR		436,711,378	1,250,289,935
Profit for the year attributable to:			
Non-controlling interests		(147,109,100)	(91,943,278)
Equity holders of the parent		583,820,478	1,342,233,213
Earnings per share (Kr)	26	0.8819	2.0275
OTHER COMPREHENSIVE INCOME:			
Items to not be reclassified subsequently to profit or loss		824,958,745	783,732,279
- Gain on revaluation of property, plant and equipment		1,070,401,424	1,072,228,431
- Actuarial loss on defined benefit plans		(37,362,063)	(104,006,957)
- Other comprehensive (loss) / income not to be reclassified to (loss) / profit, tax effect		(208,080,616)	(184,489,195)
Items to be reclassified subsequently to profit or loss		(70,660,935)	(130,401,788)
- Currency translation differences		(70,660,935)	(130,401,788)
Other Comprehensive Income		754,297,810	653,330,491
TOTAL COMPREHENSIVE INCOME		1,191,009,188	1,903,620,426
Total comprehensive income for the year attributable to:			
Non-controlling interests		(155,460,152)	(126,486,315)
Equity holders of the parent		1,346,469,340	2,030,106,741

(*) Restatement effects have been explained in Note 2.3.

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS 31 DECEMBER 2023 AND 2022
(Amounts expressed in the purchasing power of the Turkish Lira ("TRY") as of 31 December 2023, unless otherwise indicated.)

	Paid in capital	Share capital adjustment differences	Gains on revaluation of plant, property and equipment	Losses on remeasurement of defined benefit plans	Accumulated other comprehensive income or expenses not to be reclassified to profit or lose	Currency translation differences	Share premium	Restricted reserves	Retained Earnings				Equity holders of the parent	Non-controlling interests	Total Equity
									Effect of Business Combinations Under Common Control	Retained earnings	Net profit for the year				
Balances as of 1 January 2022 (Previously Reported)	662,000,000	2,982,962,456	-	-	631,111,963	446,745,634	405,280,076	-	(289,782,456)	(107,600,492)	4,730,717,181	636,664,759	-	5,367,381,940	
Transactions Under Common Control	-	-	-	-	-	-	-	97,194,249	(380,643,799)	(278,420,302)	(561,869,852)	-	-	(561,869,852)	
Balances as of 1 January 2022 (Restated)	662,000,000	2,982,962,456	-	-	631,111,963	446,745,634	405,280,076	97,194,249	(670,426,255)	(386,020,794)	4,168,847,329	636,664,759	-	4,805,512,088	
Transfers	-	-	-	-	-	-	-	-	43,792,281	386,020,794	429,813,075	-	-	429,813,075	
Transactions Under Common Control	-	-	-	-	-	-	-	245,117,833	-	-	245,117,833	-	-	245,117,833	
Total Comprehensive Income	-	-	866,680,487	(82,948,208)	(87,321,302)	-	(8,537,449)	-	-	1,342,233,213	2,030,106,741	(126,486,315)	-	1,903,620,426	
Balances as of 31 December 2022	662,000,000	2,982,962,456	866,680,487	(82,948,208)	543,790,661	446,745,634	396,742,627	342,312,082	(626,633,974)	1,342,233,213	6,873,884,978	510,178,444	-	7,384,063,422	
Balances as of 1 January 2023 (Previously Reported)	662,000,000	2,982,962,456	627,101,114	(76,342,711)	543,790,661	446,745,634	396,742,627	-	(397,382,949)	1,178,345,569	6,363,962,401	510,178,444	-	6,874,140,845	
Transactions Under Common Control	-	-	239,579,373	(6,605,497)	-	-	-	342,312,082	(229,251,025)	163,887,644	509,922,577	-	-	509,922,577	
Balances as of 1 January 2023 (Restated)	662,000,000	2,982,962,456	866,680,487	(82,948,208)	543,790,661	446,745,634	396,742,627	342,312,082	(626,633,974)	1,342,233,213	6,873,884,978	510,178,444	-	7,384,063,422	
Transfers	-	-	-	-	-	-	-	-	1,342,233,213	(1,342,233,213)	-	-	-	-	
Transactions Under Common Control	-	-	-	-	-	-	-	(1,288,529,181)	-	-	(1,288,529,181)	-	-	(1,288,529,181)	
Total Comprehensive Income	-	-	850,559,102	(25,600,357)	(65,665,990)	-	3,356,107	-	-	583,820,478	1,346,469,340	(155,460,152)	-	1,191,009,188	
Balances as of 31 December 2023	662,000,000	2,982,962,456	1,717,239,589	(108,548,565)	478,124,671	446,745,634	400,098,734	(946,217,099)	715,599,239	583,820,478	6,931,825,137	354,718,292	-	7,286,543,429	

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

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

	Notes	Audited Current Period 1 January - 31 December 2023	Restated Audited Prior Period 1 January - 31 December 2022
Cash inflows / (outflows) from operating activities		145,446,734	553,038,038
Profit for the year		436,711,378	1,250,289,935
Adjustments to reconcile profit for the year		(284,558,067)	(244,984,160)
Adjustments related to depreciation and amortization expenses	11,12,13	445,116,478	442,995,325
Adjustments related to provision for/ (reversal) of impairment loss		(5,409,204)	18,529,301
- Adjustments related to impairment loss on receivables	6	(4,761,816)	15,339,642
- Adjustments related to impairment (loss) / gain on inventories, net	8	(647,388)	3,189,659
Adjustments related to provisions		167,009,570	131,005,285
- Adjustments related to provisions employee benefit	17	168,466,173	131,021,779
- Adjustments related to lawsuit provisions	15	(1,617,904)	(1,488,669)
- Other adjustments related to operations	22	161,301	1,472,175
Adjustments related to interest and commission expenses / (income)		141,320,906	(342,621,512)
- Adjustments related to interest and commission expense	24	844,669,034	363,206,241
- Adjustments related to interest income	23	(703,348,128)	(705,827,753)
Adjustments related to unrealized currency translation differences	24	325,003,362	290,949,039
Adjustments related to tax (income) / expense	25	(93,222,340)	551,252,534
Adjustments related to (gain)/loss on fair value		(317,808,997)	(198,855,450)
- Adjustments related to fair value gains of investment properties	10	(317,808,997)	(198,855,450)
Adjustments related to gain on disposal of non-current assets	23	(4,317,958)	(3,480,843)
Adjustments for other items caused by cash flows arising from investment or financing activities	23,24	168,801,382	43,123,197
Monetary gains		(1,111,051,266)	(1,177,881,036)
Changes in working capital		606,529,513	(103,415,414)
Changes in trade receivables	6	403,310,947	(187,075,745)
- Increase in trade receivables from non-related parties	6	77,034,605	(34,828,096)
- Increase in trade receivables from related parties	5	326,276,342	(152,247,649)
Changes in inventories	8	(195,149,947)	(503,580,586)
Changes in other receivables related to operations		269,930,782	(463,590,378)
Changes in trade payables	6	147,949,571	924,022,861
- Increase in trade payables from non-related parties	6	134,746,934	947,550,418
- Increase / (decrease) in trade payables from related parties	5	13,202,637	(23,527,557)
Changes in other payables related to operations		(19,511,840)	126,808,434
Cash generated / (used) from operations		758,682,824	901,890,361
Cash outflow from paid in employee benefit provisions	17	(216,131,535)	(75,809,037)
Taxes paid		(397,104,555)	(273,043,286)
Cash (outflows) / inflows from investing activities		(767,109,598)	754,578,370
Payments for purchase of property, plant and equipment and intangible assets		(265,525,662)	(233,550,947)
- Payments for purchase of property, plant and equipment	11	(161,131,307)	(162,821,950)
- Payments for purchase of intangible assets	13	(104,394,355)	(70,728,997)
Proceeds from sale of property, plant and equipment and intangible assets	11,13,23	58,406,093	15,241,049
Interest income from investment activities	23	703,348,128	705,827,753
Rental income from investment properties	23	25,191,024	21,942,682
Cash outflows from purchase of subsidiary		(1,288,529,181)	245,117,833
Cash inflows / (outflows) from financing activities		274,751,998	(1,268,036,078)
Cash inflows from loans	27	2,859,297,052	2,052,868,291
Cash outflows from repayment of borrowings	27	(2,204,680,908)	(2,099,819,757)
Payments of lease liabilities		(71,106,589)	(163,179,183)
Interest and commission paid	24	(844,669,034)	(363,206,241)
Net increase / (decrease) in other payables to related parties	7	535,911,477	(694,699,188)
Net decrease in cash and cash equivalents before the effect of exchange rate changes		(346,910,866)	39,580,330
Effects of exchange rate changes on cash and cash equivalents		51,580,356	449,173,249
Net change in cash and cash equivalents		(295,330,510)	488,753,579
Cash and cash equivalents at the beginning of the year	29	453,330,768	175,898,669
Inflation effect on cash and cash equivalents		(113,602,659)	(211,321,480)
Cash and cash equivalents at the end of the year	29	44,397,599	453,330,768

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 DECEMBER 2023

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

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Main operations of Kerevitaş Gıda Sanayi ve Ticaret Anonim Şirketi (“Kerevitaş” or “the Company”) and its subsidiaries (“Group”) are production and trading of frozen and canned vegetables and fruits, frozen and canned sea food, frozen pastry products, croquettes, canned tuna fish, oil and margarine. Products in the frozen product category; bakery products, vegetables and fruit products, potatoes and croquettes, meat products and sea food. Canned product categories; canned tuna, vegetables and convenience foods. Kerevitaş was initially established in 1978, to export its sea food and has been one of the pioneer food companies since 1990 with “Superfresh” brand.

The Company distributes frozen and canned products that are produced in Bursa and Afyon facilities throughout Turkey through its dealers and own direct distribution channels, as well as exports its products. The Company has vegetables, fruits, seafood, tuna canned food, bakery products and pizza facilities in its Bursa factory, and has potato, vegetables and fruit production facilities in its Afyon factory.

Kerevitaş has two production plants of oil and margarine in Pendik/İstanbul and in Adana. The third production plant of Kerevitaş was established by the end of 2017 in Sultanate of Brunei.

Donuk Fırıncılık (DFU) produces in its factory in Dudullu Organized Industrial Zone in the Frozen Bakery Products market and sells and markets it in all Turkey and foreign markets.

The Company’s registered office is in Kısıklı Mah. Ferah Cad. Yıldız Holding Placid Blogu No:1/A Üsküdar İstanbul.

The ultimate shareholder of the Group is Yıldız Holding A.Ş.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul (“BIST”) since 1994.

As of 31 December 2023, and 31 December 2022, the principal shareholders and their respective shareholding rates in the Company are as follows:

	31 December 2023	31 December 2022
	(%)	(%)
Yıldız Holding A.Ş.	54.27	54.27
Murat Ülker	9.98	9.98
Ufuk Yatırım Yönetim ve Gayrimenkul A.Ş.	6.26	6.26
Other	29.49	29.49
	100	100

As of 31 December 2023, the number of employees employed by the Group is 1,932 (31 December 2022: 1,837).

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 DECEMBER 2023

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

The subsidiaries included in the scope of consolidation of the Group as of 31 December 2023 and 31 December 2022 and respective effective ownership rates are as follows:

Subsidiaries	Direct and Indirect Effective Ownership %		Countries of activity	Nature of business
	31 December 2023	31 December 2022		
Kerpe Gıda Sanayi ve Tic. A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Besmar Gıda Sanayi ve Ticaret A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Donuk Fırıncılık Ürünleri Sanayi ve Tic. A.Ş. (*)	100	0	Türkiye	Production, Buying and Selling of Frozen Bakery Products
Berk Enerji Üretimi A.Ş.	88.17	88.17	Türkiye	Generation of Electricity
Marsa Yağ Sanayi ve Tic. A.Ş.	70	70	Türkiye	Production and Trading of Oil and Oil Products
Western Foods and Pack. SDN BHD (**)	70	70	Brunei	Production and Trading of Oil and Oil Products

(*) The Group has purchased 100% of the shares of Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş., 100% owned by Yıldız Holding A.Ş. on 5 May 2023. Its value in terms of purchasing power as of 31 December 2023 is 1,288,529,181 TL and its nominal value is 901,301,000 TL.

(**) The Group has indirect ownership.

Approval of the financial statements

The consolidated financial statements as of and for the period ended 31 December 2023 have been approved by the Board of Directors on 17 May 2024. General Assembly has authority to change the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 - Basis of Presentation

Basis of Preparation of Consolidated Financial Statements and Specific Accounting Policies

The consolidated financial statements of the Group were prepared in accordance with the provisions of the "Communiqué on Principles of Financial Reporting in the Capital Markets" ("Communiqué"), Series II, numbered 14.1, published in the Official Gazette dated 13 June 2013 and numbered 28676 of the Capital Markets Board ("CMB") and based on the Turkish Accounting Standards ("TMS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGK") pursuant to Article 5 of the Communiqué. These standards include Turkish Accounting Standards and Turkish Financial Reporting Standards ("TFRS") and their annexes and comments. In addition, the financial statements are presented based on the CMB's financial statement and footnote formats in accordance with the "TFRS Taxonomy" published by the POA on October 4, 2022 and the formats determined in the Financial Statement Samples and User Guide published by the CMB.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Basis of Preparation of Consolidated Financial Statements and Specific Accounting Policies (Continued)

The Company and Subsidiaries in Türkiye maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The consolidated financial statements have been prepared under historical cost conventions except for land, buildings, derivatives, financial assets and financial liabilities which are carried at fair value.

Functional Currency

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Financial Reporting in Hyperinflationary Economies

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

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in the prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as at 31 December 2022 in terms of the purchasing power of the currency as at 31 December 2023.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of Presentation (Continued)

**Basis of Preparation of Consolidated Financial Statements and Specific Accounting Policies
(Continued)**

Financial Reporting in Hyperinflationary Economies (Continued)

In accordance with the CMB's resolution No: 81/1820 dated 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023. The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
31.12.2023	1,859.38	1.00000	268%
31.12.2022	1,128.45	1.64773	156%
31.12.2021	686.95	2.70672	74%

The main components of the Group's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The consolidated financial statements for the current period presented in TL are expressed in terms of the purchasing power of TL at the balance sheet date and the amounts for the previous reporting periods are adjusted and expressed in accordance with the purchasing power of TL at the end of the reporting period.
- Monetary assets and liabilities are not adjusted since they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted carrying amounts of non-monetary items exceed their recoverable amounts or net realisable values, the provisions of TAS 36 Impairment of Assets and TAS 2 Inventories are applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted by using the relevant adjustment factors.
- All items in the statement of comprehensive income, except for the effect of non-monetary items in the balance sheet on the statement of comprehensive income, have been adjusted by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognised in the financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of Presentation (Continued)

Financial Reporting in Hyperinflationary Economies (Continued)

- The effect of inflation on the Group's net monetary asset position in the current period is recognised in the gain/(loss) on net monetary position in the consolidated income statement.

Basis of Consolidation

(a) Subsidiaries

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

(b) Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and

(b) Changes in ownership interests in subsidiaries without change of control (Continued)

the fair value of the consideration paid or received is recorded directly in equity and attributed to owners of the Company.

(c) Losses control of subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. transfer to profit / loss or transfer to retained earnings in accordance with TFRSs). The fair value of any investment retained after the sales of a subsidiary at the date when control is lost, is regarded as the fair value on initial recognition accounting within the scope of TFRS 9 Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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31 DECEMBER 2023

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.2 Changes in Accounting Policies

Significant changes in accounting policies and important accounting errors identified are applied retrospectively and the previous period financial statements are rearranged. Accounting policy changes arising from the first implementation of a new standard are applied backwards or forwards in accordance with the transition provisions. If the changes in accounting forecasts are only related to one period, in the current period in which the amendment is made, the future periods are applied both in the period of the change and the future in the future.

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to enable the determination of financial position and performance trends. To comply with the presentation of the current period consolidated financial statements, comparative information is rearranged when deemed necessary and important differences are disclosed. The Group has restated its prior period financial statements to comply with the presentation of the current period consolidated financial statements.

As per the principle related to “Accounting for business combinations under common control” the Public Oversight Accounting and Auditing Standards Authority issued in the Official Gazette dated 21 July 2013, business combinations under common control shall be accounted through restating previous periods’ financial statements via the pooling of interest method. In this case, with the acquisition of Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş. (Note:3) the Group restated its consolidated balance sheets as at 31 December 2022 and 2021 and restated the consolidated income statement, consolidated other comprehensive income statement and consolidated statement of changes in shareholders ‘equity for the period then ended at 31 December 2022.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

The effects of the relevant regulations and classifications described above are presented below. The reported column shows the consolidated financial statement before the acquisition of Donuk Fırıncılık, and the restated column shows the consolidated financial statement after the acquisition of Donuk Fırıncılık, and the effects of the related acquisition are explained in Note 3.

	Reported Prior Period 31 December 2022	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2022
ASSETS			
Current Assets	11,154,095,429	260,759,655	11,414,855,084
Cash and cash equivalents	453,179,242	151,526	453,330,768
Trade receivables	2,918,315,071	142,078,362	3,060,393,433
Other receivables	3,671,062,599	11,159,982	3,682,222,581
Inventories	3,095,810,913	66,894,879	3,162,705,792
Prepaid expenses	678,208,408	22,384,490	700,592,898
Current income tax assets	11,117,065	-	11,117,065
Other current assets	326,402,131	18,090,416	344,492,547
Non-Current Assets	5,306,217,288	676,470,715	5,982,688,003
Other receivables	2,872,742	857,195	3,729,937
Investment properties	831,973,414	-	831,973,414
Property, plant and equipment	4,220,581,862	672,386,526	4,892,968,388
Right of use assets	21,576,145	-	21,576,145
Intangible assets	150,216,488	3,226,994	153,443,482
Prepaid expenses	9,649,611	-	9,649,611
Deferred tax assets	69,347,026	-	69,347,026
TOTAL ASSETS	16,460,312,717	937,230,370	17,397,543,087

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2022	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2022
LIABILITIES			
Current Liabilities	7,848,259,994	210,709,839	8,058,969,833
Short-term borrowings	2,577,464,919	43,687,272	2,621,152,191
Trade payables	3,592,094,926	230,206,691	3,822,301,617
Other payables	1,213,980,489	(182,019,514)	1,031,960,975
Payables related to employee benefits	55,501,049	6,740,307	62,241,356
Deferred income	108,496,822	559,272	109,056,094
Current income tax liabilities	150,729,066	-	150,729,066
Short-term provisions	104,063,802	3,577,370	107,641,172
Other current liabilities	45,928,921	107,958,441	153,887,362
Non-Current Liabilities	1,737,911,878	216,597,954	1,954,509,832
Long-term borrowings	74,326,467	134,901,372	209,227,839
Other payables	892,898,073	28,645,246	921,543,319
Long-term provisions	250,178,782	10,488,650	260,667,432
Deferred income	4,888,180	65,696	4,953,876
Deferred tax liabilities	515,620,376	42,496,990	558,117,366
Total Equity	6,874,140,845	509,922,577	7,384,063,422
Paid in capital	662,000,000	-	662,000,000
Share capital adjustment differences	2,982,962,456	-	2,982,962,456
Other comprehensive income or expenses are not reclassified to profit or loss	550,758,403	232,973,876	783,732,279
- Gains on revaluation of plant, property and equipment	627,101,114	239,579,373	866,680,487
- Losses on remeasurement of defined benefit plans	(76,342,711)	(6,605,497)	(82,948,208)
Other comprehensive income or expenses to be reclassified to profit or loss	543,790,661	-	543,790,661
- Currency translation differences	543,790,661	-	543,790,661
Share premium	446,745,634	-	446,745,634
Restricted reserves	396,742,627	-	396,742,627
Effect of business combinations under common control	-	342,312,082	342,312,082
Retained losses	(397,382,949)	(229,251,025)	(626,633,974)
Net profit for the year	1,178,345,569	163,887,644	1,342,233,213
Equity holders of the parent	6,363,962,401	509,922,577	6,873,884,978
Non-controlling interests	510,178,444	-	510,178,444
TOTAL LIABILITIES AND EQUITY	16,460,312,717	937,230,370	17,397,543,087

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2021	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2021
ASSETS			
Current Assets	9,152,349,818	219,693,247	9,372,043,065
Cash and cash equivalents	175,835,556	63,113	175,898,669
Trade receivables	2,759,963,479	128,693,851	2,888,657,330
Other receivables	3,335,926,488	1,958,776	3,337,885,264
Inventories	2,611,520,804	50,794,061	2,662,314,865
Prepaid expenses	76,409,713	15,193,258	91,602,971
Current income tax assets	59,300,282	1,110	59,301,392
Other current assets	133,393,496	22,989,078	156,382,574
Non-Current Assets	4,886,228,050	517,205,834	5,403,433,884
Other receivables	3,880,050	341,044	4,221,094
Investment properties	633,117,964	-	633,117,964
Property, plant and equipment	4,010,733,252	449,418,220	4,460,151,472
Right of use assets	25,484,211	-	25,484,211
Intangible assets	119,511,585	3,338,867	122,850,452
Prepaid expenses	8,164,566	-	8,164,566
Deferred tax assets	85,336,422	64,107,703	149,444,125
TOTAL ASSETS	14,038,577,868	736,899,081	14,775,476,949

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2021	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2021
LIABILITIES			
Current Liabilities	6,648,138,278	1,042,584,227	7,690,722,505
Short-term borrowings	3,560,944,136	96,447,763	3,657,391,899
Trade payables	2,809,425,413	88,853,343	2,898,278,756
Other payables	20,054,316	848,867,334	868,921,650
Payables related to employee benefits	45,915,900	4,883,223	50,799,123
Deferred income	99,860,100	411,954	100,272,054
Current income tax liabilities	463,523	-	463,523
Short-term provisions	77,207,730	1,638,842	78,846,572
Other current liabilities	34,267,160	1,481,768	35,748,928
Non-Current Liabilities	2,023,057,650	256,184,706	2,279,242,356
Long-term borrowings	127,008,094	196,926,580	323,934,674
Other payables	1,492,846,221	45,729,483	1,538,575,704
Long-term provisions	164,609,497	4,366,835	168,976,332
Deferred income	-	431,676	431,676
Deferred tax liabilities	238,593,838	8,730,132	247,323,970
EQUITY	5,367,381,940	(561,869,852)	4,805,512,088
Paid in capital	662,000,000	-	662,000,000
Share capital adjustment differences	2,982,962,456	-	2,982,962,456
Other comprehensive income or expenses to be reclassified to profit or loss	631,111,963	-	631,111,963
- <i>Currency translation differences</i>	<i>631,111,963</i>	-	<i>631,111,963</i>
Share premium	446,745,634	-	446,745,634
Restricted reserves	405,280,076	-	405,280,076
Effect of Business Combinations Under Common Control	-	97,194,249	97,194,249
Retained losses	(289,782,456)	(380,643,799)	(670,426,255)
Net loss for the year	(107,600,492)	(278,420,302)	(386,020,794)
Equity holders of the parent	4,730,717,181	(561,869,852)	4,168,847,329
Non-controlling interests	636,664,759	-	636,664,759
TOTAL LIABILITIES AND EQUITY	14,038,577,868	736,899,081	14,775,476,949

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 1 January - 31 December 2022	Effects of Restatement with Eliminations	Restated Prior Period 1 January - 31 December 2022
Revenue	23,556,461,202	692,019,241	24,248,480,443
Cost of sales (-)	(19,984,442,195)	(447,809,322)	(20,432,251,517)
GROSS PROFIT	3,572,019,007	244,209,919	3,816,228,926
General administrative expenses (-)	(304,856,560)	(34,030,163)	(338,886,723)
Marketing, sales and distribution expenses (-)	(1,350,954,998)	(76,575,194)	(1,427,530,192)
Research and development expenses (-)	(21,833,986)	(3,178,820)	(25,012,806)
Other income from operating activities	403,729,614	1,054,728	404,784,342
Other expenses from operating activities (-)	(1,271,992,330)	(124,036,877)	(1,396,029,207)
OPERATING PROFIT	1,026,110,747	7,443,593	1,033,554,340
Income from investment activities	921,132,087	8,974,641	930,106,728
Investment activities expenses (-)	(59,701,853)	(8,485,079)	(68,186,932)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSE)	1,887,540,981	7,933,155	1,895,474,136
Financial income	20,364,137	4,699,598	25,063,735
Financial expenses (-)	(619,131,405)	(52,335,823)	(671,467,228)
Monetary gain / (loss)	382,619,866	169,851,960	552,471,826
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1,671,393,579	130,148,890	1,801,542,469
Tax expense from continuing operations	(517,840,737)	(33,411,797)	(551,252,534)
- <i>Current tax expense (-)</i>	(471,493,156)	-	(471,493,156)
- <i>Deferred tax expense (-)</i>	(46,347,581)	(33,411,797)	(79,759,378)
PROFIT / (LOSS) FOR THE YEAR	1,153,552,842	96,737,093	1,250,289,935
Total profit for the year attributable to:			
Non-controlling interests	(91,943,278)	-	(91,943,278)
Equity holders of the parent	1,178,345,569	163,887,644	1,342,233,213
Items to not be reclassified subsequently to profit or loss	550,758,403	232,973,876	783,732,279
- Gains on revaluation of plant, property and equipment	767,286,236	304,942,195	1,072,228,431
- Actuarial loss on defined benefit plans	(95,428,389)	(8,578,568)	(104,006,957)
- Other comprehensive (loss) / income not to be reclassified to (loss) / profit, tax effect	(121,099,444)	(63,389,751)	(184,489,195)
Items to be reclassified subsequently to profit or loss	(130,401,788)	-	(130,401,788)
- Currency translation differences	(130,401,788)	-	(130,401,788)
TOTAL COMPREHENSIVE INCOME / (LOSS)	1,573,909,457	329,710,969	1,903,620,426
Total comprehensive income for the year attributable to:			
Equity holders of the parent	1,700,395,772	329,710,969	2,030,106,741
Non-controlling interests	(126,486,315)	-	(126,486,315)

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 New and Amended Turkish Accounting Standards

New and revised standards and interpretations

The accounting policies taken as basis in the preparation of the consolidated financial statements for the accounting period ending as of 31 December 2023 have been applied in a consistent manner with those used in the previous year except for the new and amended Turkish Accounting Standards (“TAS”)/IFRS and TMS-IFRS interpretations valid as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

i) Standards, amendments, and interpretations applicable as of 31 December 2023:

Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12- Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to TAS 12 - International tax reform; The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

IFRS 17, ‘Insurance Contracts’; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

Amendment to TAS 1- Noncurrent liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.4 New and Amended Turkish Accounting Standards (Continued)

Amendment to TFRS 16- Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

Amendments to TAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

TSRS 1, ‘General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

TSRS 2, ‘Climate-related disclosures’; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group is evaluating the effects of the above-mentioned changes on its operations and will apply it as of the effective date. Once this assessment is complete, it will be possible to reliably estimate the coherent effects of the above changes.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies

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

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

The income from the sale of the goods is recognized as soon as all the following conditions are met.

- b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group 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 is itself 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 related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Revenue recognition

- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled.

The Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services: a) presence of Group’s collection right of the consideration for the goods or services, b) customer’s ownership of the legal title on goods or services, c) physical transfer of the goods or services, d) customer’s ownership of significant risks and rewards related to the goods or services, e) customer’s acceptance of goods or services. If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Dividend and interest income:

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down. Inventories have been valued with weighted average cost method.

Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties’ revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. Unless the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is not transferred to retained earnings. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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.

Estimated useful life of property, plants and equipment’s are shown below:

Useful Life (Year)

Buildings	10-50
Land improvements	8-50
Machinery and equipment’s	3-25
Furniture and fixtures	3-50
Motor vehicles	4-10
Leasehold improvements	3-5
Other tangible assets	10

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Estimated useful life of intangible assets are between 2 and 15 years.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Internally generated intangible assets - research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- The intention to complete the intangible asset and use or sell it,
- The ability to use or sell the intangible asset,
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount of intangible assets created within the enterprise is the total amount of expenditures incurred from the moment the intangible asset meets the above-mentioned accounting requirements. When intangible assets created within the business fail to meet the above-mentioned conditions, development expenses are recorded as expense in the period they occur.

After initial accounting, intangible assets created within the business are also shown over the amount after deducting accumulated amortization and accumulated depreciation from cost values such as separately purchased intangible assets.

Derecognition of intangible assets

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

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Impairment of Assets Other Than Goodwill

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

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

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

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

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date (e.g. as of the date that the asset is available for use). Right-of-use assets are measured by deducting accumulated depreciation and impairment losses from their cost value. In case of revaluation of lease liabilities, this figure is also adjusted. Right-of-use assets are depreciated by separating into components if deemed necessary by asset class.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Right-of-use assets (Continued)

The cost of the right-of-use asset includes:

- a) The initial measurement amount of the lease liability,
- b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement date, and
- c) All initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the actual commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

Lease liabilities

The Group measures the lease liability over the present value of the unpaid lease payments at the start of the lease.

The lease payments included in the measurement of the lease liability at the actual commencement date consist of the following payments to be made for the right to use the underlying asset during the lease term and not paid at the time the lease actually commences:

- a) Fixed payments,
- b) Variable lease payments based on an index or rate, whose first measurement is made using an index or rate on the actual commencement date,
- c) Amounts expected to be paid by the Group within the scope of residual value commitments,
- d) If the Group is reasonably sure that it will use the purchase option, the exercise price of this option and
- e) If the lease term indicates that the Group will use an option to terminate the lease, penalty payments regarding the termination of the lease.

Variable lease payments that are not dependent on an index or rate are recorded as an expense in the period in which the event or condition triggering the payment occurs.

The Group uses the revised discount rate for the remaining part of the lease period, if the implied interest rate in the lease can be easily determined, as this rate; if it cannot be determined easily, the Group determines it as the alternative borrowing interest rate on the date of re-evaluation.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Lease liabilities (Continued)

The Group measures the lease liability as follows, after the date the lease actually commences:

- a) Increases the book value to reflect the interest on the lease liability, and
- b) Reduces the book value to reflect the lease payments made.

In addition, the value of the lease liabilities is remeasured in the event of a change in the lease term, in substance a change in fixed lease payments, or in the assessment of the option to purchase the underlying asset.

Short-term leases and leases where the underlying asset is of low value

The Group applies the short-term lease registration exemption to short-term machinery and equipment lease contracts (e.g assets with a lease term of 12 months or less from the start date and without a call option). It also applies the exemption from accounting for low value assets to office equipment whose rental is considered to be of low value. Short-term lease contracts and lease contracts of low value assets are recorded as expense according to the linear method throughout the lease term.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Financial Assets

Classification and Measurement

The Group classifies its financial assets in three categories, as being financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets with a maturity date shorter than 12 months are classified as current assets and with a maturity date longer than 12 months are classified as non-current assets. Financial assets of the Group measured at amortized cost comprise “cash and cash equivalents”, “trade receivables” and “other receivables”.

The related assets which are initially measured at their fair values are in subsequent records recognized in the income statements at their discounted values using the effective interest rate method. Gains and losses resulting from valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

Impairment

Impairment of the financial and contractual assets measured by using “Expected credit loss model”. The impairment model applies for amortized financial and contractual assets.

The Group has preferred to apply “simplified approach” for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component. In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to lifetime expected credit losses except incurred credit losses in which trade receivables are already impaired for a specific reason. In calculation of the expected credit losses, the future estimations of the Group are taken into account together with past credit loss experiences.

In all other cases of impairment on financial assets, 12-month expected credit loss calculation is applied. 12-month expected credit loss is the expected credit loss due to defaults within 12 months after the reporting period.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the provision related to impairment is released and the release of the provision is credited to profit or loss.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

(b) Financial assets measured at fair value

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

- i) Financial assets carried at fair value through profit or loss” are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.
- ii) Financial assets carried at fair value through other comprehensive income comprise of “financial assets” in the statement of financial position. The Group measures these assets with their fair values. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Trade receivables

Trade receivables that are created by way of providing services directly to a debtor are measured at amortized cost, using the effective interest rate method, Short-term trade receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

Recognition and derecognition of financial assets

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only, the entity becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. An entity shall remove a financial liability from its statement of financial position when, and only, the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities

The Group's financial liabilities and equity instruments are classified based on contractual arrangements and the definition of a financial liability and an equity instrument. A financial liability is measured at fair value during its initial recognition. During the initial recognition of financial liabilities whose fair value difference is not reflected in profit or loss, transaction costs that can be directly associated with the undertaking of the relevant financial liability are added to the fair value in question. Financial liabilities are accounted over the amortized cost value by using the effective interest method together with the interest expense calculated over the effective interest rate in the following periods.

Fair values, as much as possible, are derived from current market prices in active markets, if not available, are determined through the appropriate way of discounted cash flows and option pricing models.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair values at each reporting periods, with any gains or losses arising on remeasurement recognized in profit or loss. Change in fair values are recognised in statement of profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Financial Liabilities (Continued)

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other payables, are immediately measured at fair value at initial recognition, net of transactions costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

In the event that the Group fulfills its contractual obligations, or the obligations specified are cancelled or expired, the Group derecognises the financial liability from its statement of financial position. The difference between the book value of the financial liability derecognised and the amount paid or the fair value of the new financial liability recognised is recognised in the statement of profit or loss.

Amendments to debt instruments

The exchange of debt instruments with "significantly" different terms between an existing debtor and a creditor indicates that the old financial liability is eliminated, and a new financial liability should be included in the financial statements. Similarly, a significant change in the terms of an existing financial liability, in whole or in part, indicates that the old financial liability has disappeared, and a new financial liability should be included in the financial statements.

An amendment agreement was signed with all the lending banks in August 2023 regarding the syndicated loan of the Group to Yıldız Holding A.Ş. In this context, changes in original maturities and interest rate risk have been accepted as a significant change. In loans where there is no change in the original currency and interest rate, the cash flows that are discounted with the original effective interest rate by at least 10% from the net present value of the new terms are considered as significant changes. These loans are evaluated as the removal of the old financial liability and the recognition of a new financial liability in the financial statements and the difference is recognized in the income statement.

The amortized cost of financial liabilities, which are not considered as the extinguishing of the old financial liability, is recalculated by calculating the present value of future flows discounted at the original effective interest rate ("EIR") of the financial instrument. Any adjustments resulting from this have been recognized in profit or loss.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are recognised with the market value on the date the derivative contract is signed at the first registration and subsequently re-evaluated with the market value. Gains or losses arising from the increase or decrease in the fair values of derivative instruments that do not provide sufficient conditions for hedge accounting are directly associated with the profit or loss statement. Fair values are determined, as far as possible, with the applicable market prices in active markets, otherwise discounted cash flows and option pricing models. Derivatives with positive fair value are carried as assets and derivatives with negative fair values are carried in the balance sheet as liability.

Hedge accounting is terminated when the term of use of the financial risk protection instrument is expired, sold or used, or when it fails to meet the requirements for hedge accounting. The cumulative gain or loss arising from the hedging instrument recorded in equity at the relevant date continues to be included in the equity until the date when the transaction is expected to take place. If the hedged transaction is not realized, the cumulative net gain or loss in equity is recorded in the profit or loss statement of the period.

Effect of Exchange Differences

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Effect of Exchange Differences (Continued)

Assets and liabilities of the Group’s foreign operations are presented in TRY considering exchange rates prevailing at the reporting date. Income and expenses are translated by using the average rates calculated for the year when the transaction occurred, unless significant fluctuation has happened in exchange rates. In case of any significant fluctuation in exchange rates, the transaction is translated by using the exchange rate at the transaction date. The translation difference is accounted under comprehensive income as a component of equity.

Earnings Per Share / (Loss)

Earnings per share / (loss) disclosed in the consolidated statement of comprehensive income are determined by dividing net profit / (loss) by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

Events After the Reporting Period

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

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date. The events that do not require correction after the reporting period are disclosed in the footnotes of the consolidated financial statements, in case they are the issues affecting the economic decisions of the users of the financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Provisions, Contingent Assets and Liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Reporting of Financial Information According to Segment

The Group’s main operations are producing and trading frozen and canned vegetables and fruits, frozen and canned sea food, frozen pastry products, croquettes, canned tuna fish, oil and margarine. The Group management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group’s management has separated its operations two segments which are frozen&canned products and margarine. Segment reporting is disclosed in Note 4.

Government Grants and Incentives

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated statement of financial position (balance sheet) and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property that is measured at fair value to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property that is measured at fair value, the Group accounts for such property in accordance with the policy stated under “Property, Plant and Equipment” up to the date of change in use.

Fair value of investment properties is determined by valuation companies which have enough experience in valuation of investment property and have CMB valuation certificate. Investment properties are classified in level 2 of the fair value hierarchy table.

Corporate taxes

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

Income tax expense represents the sum of the current income tax and deferred tax.

Current income tax

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Corporate taxes (Continued)

Deferred tax

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

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The management reviewed the Group’s investment property portfolios and concluded that none of the Group’s investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the management has determined that the ‘sale’ presumption set out in the amendments to TAS 12 is not rebutted.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Summary of Significant Accounting Policies (Continued)

Corporate taxes (Continued)

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

Employee Benefits

Termination benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) *Employee Benefits* (“TAS 19”).

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

Statement of Cash Flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

Cash flows from operating activities indicate cash flows due to the Group entities’ operations.

Cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

Cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.6 Significant Accounting Judgements, Estimates and Assumptions

During the implementation of accounting policies, the management made the following comments (except for the estimates below), which have a significant impact on the amounts recognized in the financial statements:

Provisions Related to Employee Benefits

Provisions related to defined benefit plans of the employees are determined by actuarial assumptions including discount rates, future salary increases and employee turnover rates. As these plans are long term, these assumptions contain significant uncertainties.

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TMS. The Group's subsidiaries have deferred tax assets consisting of unused tax losses and other deductible temporary differences that can be deducted from future profits. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections, losses incurred in current periods, expiry dates of unused losses and other tax assets, and tax planning strategies that can be used when necessary, were taken into consideration.

Expected Credit Loss

The Group has preferred to apply “simplified approach” the recognition of expected credit losses on trade receivables. In accordance with this method, if any provision provided to the trade receivables because of a specific event, the Group measures expected credit loss from these receivables by the lifetime expected credit loss by using an impairment matrix. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications.

Determination of Fair Values of Tangible Fixed Assets, and its deferred tax effect

Lands, buildings, and land improvements are carried at their fair values in consolidated tables. Comparison of comparable sales, replacement cost and income capitalization methods were used in calculating the fair value of tangible fixed assets.

In the calculation of the postponed tax liability arising from the investment purposes of the Group, it is concluded that the economic benefits to be obtained from investment purposes are not obtained within the framework of a business model aimed at the use of completely over time rather than the sales path. Over the temporary differences between the real value of the real estates for investment purposes and the tax value, the postponed tax was calculated by using the valid of 18.75% or 25% tax rates, considering the subject matter of the activity of the company to which they belong.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.7 Convenience Translation into English of Consolidated Financial Statements

The accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosure requirements of the POA.

NOTE 3 - BUSINESS COMBINATIONS

The Group purchased 100% shares of Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş. that was 100% owned by Yıldız Holding A.Ş. by the amount of TRY 1,288,529,181 on 5 May 2023. The transaction is considered as “Transactions Under Common Control” and accounted in the shareholder’s equity. The net asset acquired and the effects of transaction in equity are presented as follows:

	31 March 2023
Net Assets within the Scope of Consolidation	
Current Assets	
Cash and cash equivalents	94,821
Trade receivables	201,325,778
Other receivables	13,777,545
Inventories	40,598,224
Prepaid expenses	12,796,234
Other current assets	12,518,813
Non-Current Assets	
Tangible assets	534,997,898
Intangible assets	3,226,994
Other non-current assets	761,805
Current Liabilities	
Short-term financial lease liabilities	(40,770,979)
Trade payables	(134,948,053)
Employee benefit related liabilities	(17,343,327)
Other payables	(55,558,834)
Deferred income	(581,796)
Short term provisions	(3,008,864)
Other current liabilities	(3,985,099)
Non-Current Liabilities	
Long-term financial lease liabilities	(120,015,750)
Other non-current payables	(24,438,652)
Deferred income	(14,596)
Non-current provisions	(10,953,078)
Deferred tax liabilities	(42,496,990)
Net Assets Added into the Scope of Consolidation	365,982,092
Total share of the Group ownership	100%
The portion of the net assets to the Group	365,982,092
Non-Capital equity items	(23,670,010)
Cash paid for the acquisition	(1,288,529,181)
Net Equity Impact from the Acquisition of Subsidiary	(946,217,099)

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 4 - SEGMENT REPORTING

Established in Turkey, the Group's field of activity is the production and trade of frozen and canned fruits and vegetables, frozen and canned sea products, frozen bakery products, croquet, canned tuna fish, oil and margarine. Operating segments are determined and reported in a manner consistent with the reporting provided to the Board of Directors and their strategic decision-making processes.

The Board of Directors and top management monitor the operations of the Group based on the different business units, which are “frozen and canned food” and “edible oil”.

The segment revenues and expenses for the periods 1 January - 31 December 2023 and 2022 are as follows:

	Frozen and Canned	Edible Oil	1 January- 31 December 2023
Revenue	6,280,229,735	12,627,325,594	18,907,555,329
Gross Profit	1,891,160,900	1,941,885,788	3,833,046,688
Operating Profit (*)	795,273,918	918,637,945	1,713,911,863
EBITDA (**)	1,017,350,652	1,141,677,689	2,159,028,341
EBITDA/Revenue	% 16.2	% 9.0	% 11.4
Investment	155,459,374	110,066,288	265,525,662

	Frozen and Canned	Edible Oil	1 January- 31 December 2022
Revenue	5,523,804,774	18,724,675,669	24,248,480,443
Gross Profit	1,829,540,117	1,986,688,809	3,816,228,926
Operating Profit (*)	960,853,332	1,063,945,873	2,024,799,205
EBITDA (**)	1,232,512,588	1,235,281,942	2,467,794,530
EBITDA/Revenue	% 22.3	% 6.6	% 10.2
Investment	150,794,394	82,756,553	233,550,947

(*) Represents profit before other income / expense from operating activities.

(**) EBITDA has calculated by adding depreciation and amortization expenses to the operating profit before other income / expenses from operating activities.

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NOTE 5 - RELATED PARTY DISCLOSURES

Due to related parties, due from related parties and summary of significant transactions with related parties as of 31 December 2023, 31 December 2022 and 31 December 2021 are as follows.

The related parties listed below are composed of Yıldız Holding group companies.

Trade receivables from related parties	31 December 2023	31 December 2022	31 December 2021
Ülker Bisküvi San. A.Ş.	269,144,706	233,033,735	43,898,404
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	253,769,956	315,877,378	369,098,099
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	250,419,060	258,508,040	357,951,920
Şok Marketler Tic. A.Ş.	143,954,782	20,230,664	53,961,539
Biskot Bisküvi Gıda San. Tic. A.Ş.	113,717,472	131,776,160	24,825,764
Önem Gıda San. ve Tic. A.Ş.	103,797,590	113,228,794	93,761,362
Horizon Hızlı Tüketim Ürünleri Paz. ve Tic. A.Ş.	94,160,439	130,698,667	157,593,570
Ülker Çikolata San. A.Ş.	66,429,990	56,151,333	11,022,763
Bizim Toptan Satış Mağazaları A.Ş.	62,893,110	50,571,707	75,851,977
Pasifik Tük.Ürün. San.ve Tic. A.Ş.	36,534,684	405,015,877	361,670,820
E Star Global E Tic. Satış ve Paz.	20,478,608	21,448,803	26,846,695
Other	19,218,983	24,254,564	32,065,160
	1,434,519,380	1,760,795,722	1,608,548,073

Trade payables to related parties	31 December 2023	31 December 2022	31 December 2021
Aytaç Gıda Yatırım A.Ş.	13,950,814	9,203,078	10,395,321
İzsal Gayrimenkul Geliştirme A.Ş.	11,943,575	4,970,652	6,608,297
Önem Gıda San. ve Tic. A.Ş.	1,601,417	380,581	833,338
Bizim Toptan Satış Mağazaları A.Ş.	1,477,071	-	1,772,333
Sağlam İnşaat Taahhüt Tic. A.Ş.	1,371,177	864,445	1,359,927
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	786,641	3,011,288	1,184,109
Adapazarı Şeker Fabrikası A.Ş.	698,112	863,081	-
Pervin Finansal Kiralama A.Ş.	250,140	-	-
Ülker Bisküvi San. A.Ş.	114,138	-	2,349,696
Şok Marketler Ticaret A.Ş.	90,680	84,553	1,956,077
Northstar Innovation A.Ş.	-	695,821	-
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	-	-	19,347,413
Other	3,795,540	2,803,169	597,714
	36,079,305	22,876,668	46,404,225

Due from related parties and due to related parties’ balances comprised of purchasing and selling goods and services. Supply of goods comprise of mainly purchases of raw materials.

Other receivables from related parties	31 December 2023	31 December 2022	31 December 2021
Yıldız Holding A.Ş.(*)	1,787,421,740	3,593,247,872	3,320,805,361
	1,787,421,740	3,593,247,872	3,320,805,361

(*) The relevant amount consists of balances made available to Yıldız Holding for financing purposes, and these balances do not have a certain maturity. Interest rates are re-determined on a monthly basis, taking into account market conditions, and as of 31 December 2023, the average interest rates of TRY-based receivables are 42.53% (31 December 2022: 17.64%, 31 December 2021: 17.47%).

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2023	31 December 2022	31 December 2021
Other payables to related parties			
Yıldız Holding A.Ş. (*)	100,114,469	1,031,837,737	862,863,750
	100,114,469	1,031,837,737	862,863,750
Other non-current payables to related parties			
Yıldız Holding A.Ş. (**)	572,839,666	921,543,319	1,537,837,718
	572,839,666	921,543,319	1,537,837,718

(*) The relevant amount consists of balances made available from Yıldız Holding for financing purposes, and these balances do not have a certain maturity. Interest rates are re-determined on a monthly basis, taking into account market conditions, and as of 31 December 2023, the average interest rates of TRY-based payables are 42.53% (31 December 2022: 17.64%, 31 December 2021: 17.47%).

(**) As of 12 April 2018, Yıldız Holding A.Ş and some Yıldız Holding Group entities including Group, signed a syndicated loan agreement with creditors. Thus, the Group's borrowings to banks were transferred to Yıldız Holding. Total of the long-term payables of the Group to Yıldız Holding is composed of syndicated debts.

The amount of collateral given as guarantor ship and mortgage within the scope of the syndication debts is TRY 7,552,484,529 (31 December 2022: TRY 7,496,758,001, 31 December 2021: TRY 8,100,121,722).

Transactions with related parties comprised of purchasing and selling goods and services. Purchases are mainly comprised of purchases of raw materials.

	1 January - 31 December 2023	1 January - 31 December 2022
Sale of goods and services		
Ülker Bisküvi San. A.Ş.	1,550,616,822	1,863,577,363
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	1,438,536,547	1,993,149,909
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	1,057,528,364	1,145,444,655
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	968,234,332	1,559,056,632
Biskot Bisküvi Gıda San. Tic. A.Ş.	771,948,739	1,047,780,466
Horizon Hızlı Tüketim Ürünleri A.Ş.	563,953,126	699,295,430
Ülker Çikolata San. A.Ş.	414,052,253	535,454,247
Önem Gıda San. ve Tic. A.Ş.	368,369,721	418,855,871
Şok Marketler Ticaret A.Ş.	363,979,718	252,938,105
Bizim Toptan Satış Mağazaları A.Ş.	287,262,090	334,123,678
E Star Global E-Ticaret Satış ve Pazarlama A.Ş.	51,432,368	-
CCC Gıda San. ve Tic. A.Ş.	1,554,118	35,581,769
Other	20,062,103	28,299,700
	7,857,530,301	9,913,557,825

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 31 December 2023	1 January - 31 December 2022
Purchase of goods and services		
Maia International B.V.	2,766,803,620	2,892,435,898
Yıldız Holding A.Ş.	171,323,751	192,877,999
Aytaç Gıda Yatırım San. Tic. A.Ş.	156,829,654	86,800,400
İzsal Gayrimenkul Geliştirme A.Ş.	78,534,523	33,117,076
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	34,877,226	50,515,640
Sağlam İnşaat Taahhüt Tic. A.Ş.	19,811,646	14,716,010
Önem Gıda San. ve Tic. A.Ş.	7,933,222	5,455,396
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	6,983,605	1,471,889
Adapazarı Şeker Fabrikası A.Ş.	5,196,168	4,002,777
Horizon Hızlı Tük.az. Sat.Tic. A.Ş.	1,710,142	10,847,134
Penta Teknoloji Ürün.Dağ.Tic. A.Ş.	1,274,744	3,232,667
Polinas Plastik San. Tic. A.Ş.	630,297	2,850,301
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	270,158	8,649,209
Other	17,315,875	9,559,177
	3,269,494,631	3,316,531,573
Service, rent and other income		
Yıldız Holding A.Ş.	4,357,926	-
Bizim Toptan Satış Mağazaları A.Ş.	768,602	555,893
Sağlam İnşaat Taahhüt Tic. A.Ş.	612,606	585,811
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	302,648	-
Pasifik Tük.Ürün. San.ve Tic. A.Ş.	257,926	-
Other	427,420	98,458
	6,727,128	1,240,162
Commission and financial expense		
Yıldız Holding A.Ş.	404,156,355	91,088,419
Pervin Finansal Kiralama A.Ş.	4,367,763	3,376,871
Other	11,556,850	1,478,860
	420,080,968	95,944,150
Commission and financial income		
Yıldız Holding A.Ş.	64,266,900	-
Horizon Hızlı Tük, Ür, Paz, Sat, ve Tic, A.Ş.	36,205	-
	64,303,105	-

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Investment Income	1 January - 31 December 2023	1 January - 31 December 2022
Yıldız Holding A.Ş. (*)	707,580,505	670,205,474
Other	1,382,459	1,944,224
	708,962,964	672,149,698

(*) Income from investment activities obtained from Yıldız Holding comprised of interest and exchange differences.

Key management compensation:

Key management personnel of the Company consist of the members of Board of Directors and members of Executive Board. The compensation of key management personnel comprises salaries, bonus, health insurance and transportation. The compensation of key management during the years are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Salaries and other benefits	80,861,578	57,604,868
	80,861,578	57,604,868

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

As of 31 December 2023, 31 December 2022 and 31 December 2021 trade receivables of the Group are as follows:

	31 December 2023	31 December 2022	31 December 2021
Current trade receivables			
Trade receivables (*)	1,198,948,821	1,307,377,378	1,235,371,914
Notes receivable	74,966,458	73,111,499	142,136,223
Income accruals	181,299	-	-
Provision for doubtful receivables (-)	(46,771,656)	(80,891,166)	(97,398,880)
Trade receivables, net	1,227,324,922	1,299,597,711	1,280,109,257
Trade receivables from related parties (Note 5) (**)	1,434,519,380	1,760,795,722	1,608,548,073
	2,661,844,302	3,060,393,433	2,888,657,330

(*) Progress accruals arising from sales to customers are netted off with trade receivables.

(**) Trade receivables from related parties mainly comprised from sales of goods. Purchases are mainly comprised of purchases of raw materials.

Average maturity for trade receivables is 54 days (31 December 2022: 41, 31 December 2021: 62).

Movements of provision for doubtful receivables as of 1 January - 31 December 2023 and 31 December 2022 are as follows:

Movement of Provision for Doubtful Receivables	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	(80,891,166)	(97,398,880)
Charge for the year (-)	(3,188,289)	(16,777,874)
Reversals of provisions	7,950,105	1,438,232
Inflation effect	29,357,694	31,847,356
End of the period	(46,771,656)	(80,891,166)

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2023	31 December 2022	31 December 2021
Short-term trade payables			
Trade payables	3,914,237,229	3,799,424,949	2,847,599,998
Expense accruals	19,934,654	-	4,274,533
Trade payables, net	3,934,171,883	3,799,424,949	2,851,874,531
Trade payables to related parties (Note 5) (*)	36,079,305	22,876,668	46,404,225
	3,970,251,188	3,822,301,617	2,898,278,756

(*) Trade payables to related parties mainly comprised from purchases of goods and services. Purchases are mainly comprised of purchases of raw materials.

Average maturity for trade payables is 99 days (31 December 2022: 62, 31 December 2021: 75).

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

	31 December 2023	31 December 2022	31 December 2021
Other Current Receivables			
Receivables from related parties (Note 5)	1,787,421,740	3,593,247,872	3,320,805,361
Receivables from tax administration	79,829,249	64,052,305	6,595,392
Receivables from personnel	69,562	84,881	112,767
Other miscellaneous receivables	56,879,091	24,837,523	10,371,744
	1,924,199,642	3,682,222,581	3,337,885,264

	31 December 2023	31 December 2022	31 December 2021
Other Non-Current Receivables			
Deposits and guarantees given	3,871,866	3,729,937	4,221,094
	3,871,866	3,729,937	4,221,094

Other Payables

	31 December 2023	31 December 2022	31 December 2021
Other Current Liabilities			
Payables to related parties (Note 5)	100,114,469	1,031,837,737	862,863,750
Other miscellaneous liabilities	117,753	123,238	6,057,900
	100,232,222	1,031,960,975	868,921,650

	31 December 2023	31 December 2022	31 December 2021
Other Non-Current Liabilities			
Non-current liabilities to related parties (Note 5)	572,839,666	921,543,319	1,537,837,718
Non-current liabilities to third parties	-	-	737,986
	572,839,666	921,543,319	1,538,575,704

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NOTE 8 - INVENTORIES

	31 December 2023	31 December 2022	31 December 2021
Raw materials	1,839,888,815	1,472,334,775	1,243,058,555
Work in process	923,840,855	818,381,271	859,283,596
Finished goods	419,046,937	578,063,297	449,135,305
Trade goods	68,063,784	74,067,881	42,980,830
Other inventory (*)	109,269,673	223,446,070	68,299,996
Provision for impairment of inventory (-)	(1,606,937)	(3,587,502)	(443,417)
	3,358,503,127	3,162,705,792	2,662,314,865

(*) Other inventories consist of packaging and technical operating materials.

Movements of provision for impairment of inventories as of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	(3,587,502)	(443,417)
Charge for the year	(1,072,158)	(3,398,343)
Reversals of provisions during the period	1,719,546	208,684
Inflation effect	1,333,177	45,574
Closing balance	(1,606,937)	(3,587,502)

NOTE 9 - PREPAID EXPENSES AND DEFERRED REVENUE

	31 December 2023	31 December 2022	31 December 2021
Short-Term Prepaid Expenses			
Advances given for inventory purchases	384,102,314	637,815,028	61,163,530
Prepaid expenses	81,581,372	62,734,661	30,384,764
Business advances	72,252	43,209	54,677
	465,755,938	700,592,898	91,602,971

	31 December 2023	31 December 2022	31 December 2021
Long-Term Prepaid Expenses			
Advances given for fixed asset purchases	22,010,344	6,880,632	6,400,049
Prepaid expenses	-	2,768,979	1,764,517
	22,010,344	9,649,611	8,164,566

	31 December 2023	31 December 2022	31 December 2021
Short-Term Deferred Income			
Advances received	86,651,854	102,760,161	93,944,552
Deferred income	3,026,780	6,295,933	6,327,502
	89,678,634	109,056,094	100,272,054

	31 December 2023	31 December 2022	31 December 2021
Long-Term Deferred Income			
Deferred income	9,562,036	4,953,876	431,676
	9,562,036	4,953,876	431,676

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NOTE 10 - INVESTMENT PROPERTIES

Cost Value	1 January 2023	Disposals	Transfers	Change in fair value	31 December 2023
Land, Building, Plant Machinery and Devices	831,973,414	-	177,971,229	317,808,997	1,327,753,640
	831,973,414	-	177,971,229	317,808,997	1,327,753,640

Cost Value	1 January 2022	Disposals	Transfers	Change in fair value	31 December 2022
Land, Building, Plant Machinery and Devices	633,117,964	-	-	198,855,450	831,973,414
	633,117,964	-	-	198,855,450	831,973,414

The Group has earned rent income from its investment properties amounting to TRY 25,191,024 in the current period. (1 January - 31 December 2022: TRY 21,942,682) (Note 23).

Fair value of investment properties

	31 December 2023		
	Level 1	Level 2	Level 3
Investment properties	-	1,327,753,640	-
Total	-	1,327,753,640	-

	31 December 2022		
	Level 1	Level 2	Level 3
Investment properties	-	831,973,414	-
Total	-	831,973,414	-

As of 31 December 2023, the Group's investment properties are carried with their fair values determined by the revaluation carried out on 31 December 2023, and these fair values have been determined by an independent valuation firm holding a CMB License. The change between the fair value and cost value of the investment properties at initial recognition is included under equity. Gains or losses arising from changes in fair value in subsequent measurement periods are included in the consolidated statement of profit or loss.

The table above present the fair value hierarchy of investment properties of the Group as of 31 December 2023 and 31 December 2022. The levels of hierarchies of fair values are detailed below.

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly,

Level 3: Inputs for the asset or liability that are not based on observable market data

Valuation techniques used to derive level 2 fair values.

Level 2 fair values of investment properties have been derived using the sales comparison approach. Sales prices of comparable land and buildings in proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Cost Value	1 January 2023	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2023
Land and land improvements	1,473,904,695	5,873,875	-	(166,478,318)	515,318,890	(9,714)	1,828,609,428
Buildings	2,299,063,178	3,462,332	(24,320,496)	(19,648,853)	856,036,543	(27,380,534)	3,087,212,170
Machinery and equipment	3,929,128,158	112,823,306	(99,353,972)	22,808,406	-	(3,308,663)	3,962,097,235
Motor vehicles	13,178,900	1,881,636	-	2,411,960	-	(2,478,348)	14,994,148
Furniture and fixtures	356,036,484	25,904,353	(4,544,172)	-	-	(492,419)	376,904,246
Leasehold improvements	38,740,943	1,341,158	-	-	-	-	40,082,101
Other tangibles (*)	285,885,539	3,916,832	(30,391,390)	-	-	-	259,410,981
Construction in progress	32,877,908	5,927,815	(12,253,983)	(25,220,366)	-	-	1,331,374
	8,428,815,805	161,131,307	(170,864,013)	(186,127,171)	1,371,355,433	(33,669,678)	9,570,641,683
Accumulated Depreciation	1 January 2023	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2023
Land improvements	(15,502,685)	(2,494,685)	-	-	(5,941,945)	71,216	(23,868,099)
Buildings	(522,848,581)	(116,048,361)	-	8,155,942	(399,170,525)	24,912,521	(1,004,999,004)
Machinery and equipment	(2,556,247,267)	(235,918,597)	85,838,673	-	-	28,253,544	(2,678,073,647)
Motor vehicles	(10,678,848)	(3,828,423)	-	-	-	1,182,619	(13,324,652)
Furniture and fixtures	(238,735,703)	(26,595,896)	3,199,024	-	-	2,245,709	(259,886,866)
Leasehold improvements	(27,370,294)	(2,657,462)	-	-	-	-	(30,027,756)
Other tangibles (*)	(164,464,039)	(17,163,347)	27,738,181	-	-	-	(153,889,205)
	(3,535,847,417)	(404,706,771)	116,775,878	8,155,942	(405,112,470)	56,665,609	(4,164,069,229)
Net Book Value	4,892,968,388						5,406,572,454

(*) Other tangibles comprised of refrigerators.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost Value	1 January 2022	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2022
Land and land improvements	1,353,646,485	103,160	-	-	120,205,853	(50,803)	1,473,904,695
Buildings	1,840,737,044	-	-	8,019,020	577,438,300	(127,131,186)	2,299,063,178
Machinery and equipment	3,610,940,293	80,901,008	(17,537,293)	(3,495,364)	289,253,099	(30,933,585)	3,929,128,158
Motor vehicles	8,052,557	3,827,069	(1,168,920)	2,587,956	-	(119,762)	13,178,900
Furniture and fixtures	339,198,229	19,407,149	(806,975)	907,408	-	(2,669,327)	356,036,484
Leasehold improvements	37,826,188	1,906,425	(991,670)	-	-	-	38,740,943
Other tangibles (*)	305,723,883	20,029,180	(39,867,524)	-	-	-	285,885,539
Construction in progress	4,248,969	36,647,959	-	(8,019,020)	-	-	32,877,908
	7,500,373,648	162,821,950	(60,372,382)	-	986,897,252	(160,904,663)	8,428,815,805
Accumulated Depreciation	1 January 2022	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2022
Land improvements	(7,861,641)	(7,654,831)	-	-	-	13,787	(15,502,685)
Buildings	(243,312,148)	(150,392,291)	-	-	(139,896,083)	10,751,941	(522,848,581)
Machinery and equipment	(2,353,648,492)	(184,313,030)	10,181,330	-	(37,302,949)	8,835,874	(2,556,247,267)
Motor vehicles	(9,200,826)	(3,088,048)	1,168,925	-	-	441,101	(10,678,848)
Furniture and fixtures	(219,797,916)	(20,474,654)	583,438	-	-	953,429	(238,735,703)
Leasehold improvements	(25,696,561)	(2,665,419)	991,686	-	-	-	(27,370,294)
Other tangibles (*)	(180,704,592)	(19,446,244)	35,686,797	-	-	-	(164,464,039)
	(3,040,222,176)	(388,034,517)	48,612,176	-	(177,199,032)	20,996,132	(3,535,847,417)
Net Book Value	4,460,151,472						4,892,968,388

(*) Other tangible assets consist of refrigerated cabinets.

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NOTE 12 - RIGHT OF USE ASSETS

Cost Value-Effect of IFRS 16	1 January 2023	Additions	Disposals	Current Year Depreciation	31 December 2023
Buildings	2,688,985	12,658,462	-	(2,797,672)	12,549,775
Motor Vehicles	18,887,160	12,911,078	(1,647,531)	(7,652,758)	22,497,949
	21,576,145	25,569,540	(1,647,531)	(10,450,430)	35,047,724

Cost Value-Effect of IFRS 16	1 January 2022	Additions	Disposals	Current Year Depreciation	31 December 2022
Buildings	4,719,905	2,551,750	-	(4,582,670)	2,688,985
Motor Vehicles	20,764,306	9,068,313	(3,204,639)	(7,740,820)	18,887,160
	25,484,211	11,620,063	(3,204,639)	(12,323,490)	21,576,145

The interest rate used for the lease obligations is 20,00% for 31 December 2023 and 21,00% for 31 December 2022. Interest expenses are TRY 7,612,762 (31 December 2021: TRY 5,638,237).

NOTE 13 - INTANGIBLE ASSETS

Cost Value	1 January 2023	Additions	Currency translation differences	31 December 2023
Rights	130,055,319	56,116,346	5,653,928	191,825,593
Development expenses	235,195,913	48,278,009	-	283,473,922
Other intangible assets	4,727,938	-	-	4,727,938
	369,979,170	104,394,355	5,653,928	480,027,453

Accumulated Amortization	1 January 2023	Additions	Currency translation differences	31 December 2023
Rights	(99,898,145)	(6,529,384)	(905,246)	(107,332,775)
Development expenses	(111,909,710)	(23,429,893)	-	(135,339,603)
Other intangible assets	(4,727,833)	-	-	(4,727,833)
	(216,535,688)	(29,959,277)	(905,246)	(247,400,211)

Net Book Value	153,443,482			232,627,242
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Cost Value	1 January 2022	Additions	Currency translation differences	31 December 2022
Rights	119,394,861	6,725,068	3,935,390	130,055,319
Development expenses	171,191,984	64,003,929	-	235,195,913
Other intangible assets	4,727,938	-	-	4,727,938
	295,314,783	70,728,997	3,935,390	369,979,170

Accumulated Amortization	1 January 2022	Additions	Currency translation differences	31 December 2022
Rights	(93,979,633)	(4,484,473)	(1,434,039)	(99,898,145)
Development expenses	(73,756,865)	(38,152,845)	-	(111,909,710)
Other intangible assets	(4,727,833)	-	-	(4,727,833)
	(172,464,331)	(42,637,318)	(1,434,039)	(216,535,688)

Net Book Value	122,850,452			153,443,482
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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 13 - INTANGIBLE ASSETS (Continued)

Allocation of depreciation and amortization expenses of property, plant and equipments, intangible assets, and right-of-use assets as of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Cost of sales (Note 20)	(384,982,891)	(383,466,774)
Marketing, sales and distribution expense (Note 21)	(38,223,690)	(35,933,304)
General administration expenses (Note 21)	(10,181,402)	(8,840,656)
Research and development expenses (Note 21)	(11,728,495)	(14,754,591)
	(445,116,478)	(442,995,325)

NOTE 14 - GOVERNMENT GRANTS AND INCENTIVES

The validity period of the Incentive Certificate is 3 years and ends on April 13, 2025. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 2-year insurance premium employer share support and 50% Tax Deduction. The total amount of investment foreseen in the Investment Incentive Certificate is TRY 29,113,930. As of December 31, 2023, the investment amount realized within the scope of the incentive certificate is TRY 6,266,260.

The Group received the Investment Incentive Certificate numbered 552413 on April 26, 2023, from the General Directorate of Incentive, Implementation and Foreign Capital of the Ministry of Economy. The validity period of the mentioned Incentive Certificate is 3 years and ends on 25 April 2026. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 7 years of insurance premium employer's share support, 80% Tax Reduction and 40% Investment Contribution Rate support. Total amount of the investment foreseen in the Investment Incentive Certificate is TRY 37,129,764. As of 31 December 2023, the amount of investment realized within the scope of the incentive certificate is TRY 33,205,393.

The Group's rights that can be used by all companies that meet the criteria required by the legislation, regardless of sector; Incentives within the scope of research and development law (100% corporate tax, VAT exemption, etc.), inward processing permits, social security institution incentives and employer's insurance premium support.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets and Liabilities

Contingent assets and liabilities as of 31 December 2023, 31 December 2022 and 31 December 2021 are as follows:

Contingent assets	31 December 2023	31 December 2022	31 December 2021
Letters of guarantees received	1,071,174,090	989,866,522	887,964,875
Pledges and mortgages received	1,713,670	2,861,560	17,698,337
	1,072,887,760	992,728,082	905,663,212

Letter of guarantees received and mortgages received are comprised of the guarantees received from customers within the scope of credit risk.

Contingent liabilities	31 December 2023	31 December 2022	31 December 2021
Guarantorship given (*)	4,422,747,001	5,191,660,132	6,807,122,485
Mortgages given (*)	3,129,737,528	2,305,097,870	1,292,999,237
Guarantees given	927,682,103	460,016,725	163,012,098
Letters of guarantees given	1,036,466,969	234,742,296	730,208,205
	9,516,633,601	8,191,517,023	8,993,342,025

(*) Mortgages and guarantees given are given as Yıldız Holding syndication loan guarantees, Letter of guarantees given comprised of guarantees given to public institutions for various reasons.

Other short-term provisions	31 December 2023	31 December 2022	31 December 2021
Turnover / premium provisions	18,982,913	624,995	84,975
Price difference and activity provisions	8,647,273	5,597,962	-
Provisions for lawsuits	3,315,496	8,128,907	17,382,731
Related party accruals from financing	-	-	4,728,645
Provisions for other cost expenses	6,688,532	6,527,231	5,055,055
	37,634,214	20,879,095	27,251,406

The movements of provisions for lawsuits as of 1 January - 31 December 2023 and 2022 are as follows:

Movement of provision for lawsuits	1 January - 31 December 2023	1 January - 31 December 2022
Opening	8,128,907	17,382,731
Charge for the period	(1,617,904)	(1,488,669)
Inflation effect	(3,195,507)	(7,765,155)
End of the period	3,315,496	8,128,907

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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NOTE 16 - COMMITMENTS AND CONTINGENCIES

Guarantee, pledge and mortgages given by the Group

Guarantee, pledge and mortgages (“GPM”) in respect of commitment and contingencies realized in the ordinary course of business given for the periods ended 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			31 December 2022		
	Original Currency	Amount	TRY Equivalent	Original Currency	Amount	TRY equivalent
A. CPMs given for Company’s own legal personality (*)	TRY	6,412,680,228	6,412,680,228	TRY	4,542,650,443	4,542,650,443
	USD	95,702,287	2,817,303,053	USD	118,432,204	3,648,866,580
	EUR	8,800,000	286,650,320	EUR	-	-
B. CPMs given on behalf of fully consolidated companies		-	-		-	-
C. CPMs given in the normal course of business activities on behalf of third parties		-	-		-	-
D. Total amount of other CPMs		-	-		-	-
i) Total amount of CPMs given on behalf of the parent		-	-		-	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C		-	-		-	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C		-	-		-	-
			9,516,633,601			8,191,517,023

As of 31 December 2023, the Group has export commitments of TRY 125,000,000 , USD 2,739,865 and EUR 57,600,000 (31 December 2022: TRY 263,636,670 and EUR 15,781,625). The fulfillment period of export commitments is two years.

(*) On February 2018, Yıldız Holding A.Ş. started negotiations with the creditors in order to refinance the loan payables for which no guarantee was provided and the balances which are used by the itself and by various Yıldız Holding group entities in connection with the miscellaneous loan agreements the Holding company entered into with Turkish banks. The purpose of these negotiations is to move all loan payable balances to the level of Yıldız Holding A.Ş. within the framework of a single maturity, interest rate and payment plan.

The bank loans of the Company and its subsidiaries which in total TRY 4,158 million in cash (Nominal: TRY 745 Million) and TRY 1,127 million non-cash (Nominal: TRY 202 million) contingencies were moved to the level of Yıldız Holding A.Ş. through syndication. The Company’s total debt has not increased as a result of the syndicated loan, but cash and non-cash loans are moved to Yıldız Holding A.Ş. level.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 17 - PAYABLES RELATED TO EMPLOYEE BENEFITS

Payables related to employee benefits	31 December 2023	31 December 2022	31 December 2021
Due to personnel	49,239,688	36,404,261	32,956,275
Social security premiums payable	34,018,899	25,837,095	17,842,848
	83,258,587	62,241,356	50,799,123
Short-term provisions for employee benefits	31 December 2023	31 December 2022	31 December 2021
Provisions for performance premium	79,496,251	56,640,969	29,437,130
Provisions for unused vacations	32,647,711	28,989,742	21,142,919
Other provisions	1,436,992	1,131,366	1,015,117
	113,580,954	86,762,077	51,595,166

The movements of provisions for performance premium as of 1 January - 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	56,640,969	29,437,130
Charge for the year	79,496,251	43,269,940
Cash payments during the year	(26,224,222)	(9,240,165)
Inflation effect	(30,416,747)	(6,825,936)
End of the period	79,496,251	56,640,969

The movement of provisions for unused vacations as of 1 January - 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	28,989,742	21,142,919
Charge for the year	29,568,472	12,097,538
Reversals of provisions during the period	(15,616,361)	(2,315,059)
Inflation effect	(10,294,142)	(1,935,656)
End of the period	32,647,711	28,989,742

Non-current provisions for employee benefits	31 December 2023	31 December 2022	31 December 2021
Provisions for employee termination benefits	223,545,258	260,667,432	168,976,332
	223,545,258	260,667,432	168,976,332

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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NOTE 17 - PAYABLES RELATED TO EMPLOYEE BENEFITS (Continued)

Provision for Employee Termination Benefit

In accordance with the existing labour law in Turkey, the Group is required to make up lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 25, are called up for military service or die.

Such payments are calculated on the basis of 30 days' pay maximum TRY 23,489.83 as at 31 December 2023 (31 December 2022: TRY 15,371.40) per year of employment at the of pay applicable at the date of retirement or termination.

Employee termination benefit is not funded and does not require any legal funding requirement. The reserve employee termination benefit has been calculated by estimating the present value of future probable obligation of Group from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the Government. TAS 19 “Employee Benefits” requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2023 has been calculated assuming an annual inflation rate of 20.95% (31 December 2022: 17.64%) and an interest rate of 25.39% (31 December 2022: 19.40%) resulting in a real discount rate of approximately 3.67% (31 December 2021: 1.50%). Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 3.82% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Ceiling amount of TRY 35,058.58 which is in effect since 1 January 2024 is used in the calculation of Groups’ provision for retirement pay liability (1 January 2023: TRY 19,982.83).

The movement of provisions of employee termination benefit as of 1 January - 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	260,667,432	168,976,332
Service cost	44,811,655	76,277,750
Interest cost	30,206,156	1,691,610
Actuarial loss	37,362,063	71,645,268
Termination benefits paid	(50,693,782)	(18,515,980)
Inflation effect	(98,808,266)	(39,407,548)
End of the period	223,545,258	260,667,432

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NOTE 18 - OTHER ASSETS AND LIABILITIES

	31 December 2023	31 December 2022	31 December 2021
Other Current Assets			
Deferred VAT	216,168,105	333,374,750	151,007,033
Other	7,572,439	11,117,797	5,375,541
	223,740,544	344,492,547	156,382,574

	31 December 2023	31 December 2022	31 December 2021
Other Current Liabilities			
Taxes and funds payables	85,780,451	128,676,133	15,286,730
Other current liabilities	28,587,745	25,211,229	20,462,198
	114,368,196	153,887,362	35,748,928

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of 31 December 2023, the Company's capital was issued and consisted of 66,200,000,000 shares, each with a nominal value of TRY 0.01. (31 December 2022: 66,200,000,000 shares, 31 December 2021: 66,200,000,000 shares).

The Group’s shareholders and their share in the capital as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
Shareholders				
Yıldız Holding A.Ş.	54.27	359,245,941	54.27	359,245,941
Murat Ülker	9.98	66,079,898	9.98	66,079,898
Ufuk Yatırım Yönetim ve Gayr. A.Ş.	6.26	41,429,804	6.26	41,429,804
Other	29.49	195,244,357	29.49	195,244,357
Total	100	662,000,000	100	662,000,000

Restricted Reserves and Retained Earnings

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserves are appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserves are appropriated after the first legal reserves and dividends, at the rate of 10% per annum of all cash dividend distributions. These reserves can only be used to cover losses, to maintain the company in times when things are not going well, or to prevent unemployment and to mitigate the effects of such losses, unless they exceed half of the paid-in capital of the company.

Restricted reserves allocated from profit as of December 31, 2023 are as follows. There is no remaining profit for the period after deducting previous years' losses in the legal records of the Group and there are no other resources that can be subject to profit distribution.

	31 December 2023	31 December 2022	31 December 2021
Restricted reserves			
Legal reserves	400,098,734	396,742,627	405,280,076
	400,098,734	396,742,627	405,280,076

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NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

These are reserves set aside from the profits of previous periods due to obligations arising from the law or contract or for certain purposes other than profit distribution. These reserves are shown based on their amounts in legal records, and the differences arising from the evaluations made within the framework of TFRS are associated with previous years' profits and losses.

31 December 2023 (In accordance with TFRS)	Nominal value	Inflation adjustment effect	Indexed Value
Paid capital	662,000,000	2,982,962,456	3,644,962,456
Legal reserves	37,378,879	365,791,574	403,170,453

31 December 2023 (In accordance with Tax Law)	Nominal value	Inflation adjustment effect	Indexed Value
Paid capital	662,000,000	5,066,732,762	5,728,732,762
Legal reserves	44,837,021	657,499,080	702,336,101

NOTE 20 - REVENUE AND COST OF SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Domestic sales	20,816,913,762	24,890,195,356
Export sales	2,175,735,715	3,203,227,877
Other income	158,343,762	234,200,802
Gross sales	23,150,993,239	28,327,624,035
Sales returns and discounts (-)	(4,243,437,910)	(4,079,143,592)
Net sales	18,907,555,329	24,248,480,443
Cost of sales (-)		
- Raw materials	(13,035,860,368)	(17,284,741,645)
- Labour costs	(646,133,817)	(549,047,350)
- Depreciation and Amortization Expense (Note 13)	(384,982,891)	(383,466,774)
- Manufacturing overhead costs	(1,007,531,565)	(2,214,995,748)
Cost of sales (-)	(15,074,508,641)	(20,432,251,517)
Gross profit	3,833,046,688	3,816,228,926

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Marketing, sales and distribution expenses	1 January - 31 December 2023	1 January - 31 December 2022
Transportation expenses	(533,306,997)	(502,454,321)
Personnel expenses	(344,150,859)	(264,032,257)
Advertisement expenses	(279,214,353)	(236,482,675)
Tax duties and fees (*)	(123,904,870)	(63,052,112)
Brand usage expense	(84,196,872)	(99,098,622)
Rent expenses	(50,662,865)	(34,278,249)
Energy expenses	(47,120,204)	(70,887,459)
Depreciation and amortization expense (Note 13)	(38,223,690)	(35,933,304)
Maintenance and repair expenses	(23,169,390)	(16,112,790)
Export expenses	(17,902,423)	(15,061,820)
Externally provided benefits and services	(8,482,901)	(6,807,250)
Other	(82,678,059)	(83,329,333)
	(1,633,013,483)	(1,427,530,192)

(*) These are expenses incurred regarding the recycling contribution fee (RCF).

General administrative expenses	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	(196,266,341)	(132,035,840)
Externally provided benefits and services	(181,212,836)	(144,859,656)
Depreciation and amortization expense (Note 13)	(10,181,402)	(8,840,656)
Rent expenses	(7,567,054)	(5,222,971)
Building expenses	(4,836,617)	(4,133,490)
Tax duties and fees	(4,543,306)	(3,084,015)
Energy expenses	(3,837,811)	(2,854,803)
Communication expenses	(3,050,605)	(1,977,457)
Brand copyright expenses	(2,429,280)	(176,301)
Travel expenses	(1,558,569)	(1,536,368)
Other	(50,146,569)	(34,165,166)
	(465,630,390)	(338,886,723)

Research and development expenses	1 January - 31 December 2023	1 January - 31 December 2022
Depreciation and amortization expense (Note 13)	(11,728,495)	(14,754,591)
Personnel expenses	(6,244,577)	(9,627,466)
Externally provided benefits and services	(1,540,647)	-
Other	(977,233)	(630,749)
	(20,490,952)	(25,012,806)

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)

Fees for Services Obtained from Independent Auditor/Independent Audit Firms

The Group's explanation regarding the fees for the services rendered by independent audit firms, which is based on the KGK's letter dated 19 August 2021, the preparation principles of which are based on the Board Decision of the KGK published in the Official Gazette on 30 March 2021, is as follows:

Fees for Services Obtained from Independent Audit Firms	1 January - 31 December 2023	1 January - 31 December 2022
Independent audit fee for the reporting period	568,750	2,034,189
Fees for other assurance services	478,150	1,499,083
	1,046,900	3,533,272

NOTE 22 - OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

Other Income from Operating Activities	1 January - 31 December 2023	1 January - 31 December 2022
Service income	78,064,200	126,835,529
Interest income from forward sales	66,369,148	228,483,437
Provisions no longer required of doubtful receivables (Note 6)	7,950,105	1,438,232
Provisions no longer required for impairment of inventory (Note 8)	1,719,546	208,684
Provisions no longer required of lawsuits (Note 15)	1,617,904	1,488,669
Other	42,952,636	46,329,791
	198,673,539	404,784,342

Other Expense from Operating Activities	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses from operating activities	(546,240,277)	(799,837,959)
Interest expense from forward purchases	(285,433,347)	(407,123,373)
Tax and penalty expense	(29,828,889)	(599,150)
Product disposal expenses	(15,332,566)	(13,422,133)
Donation and aid expenses	(11,602,902)	(1,306,636)
Provision expenses for doubtful receivables (Note 6)	(3,188,289)	(16,777,874)
Provision expenses for impairment of inventories (Note 8)	(1,072,158)	(3,398,343)
Other provision expenses	(161,301)	(1,472,175)
Restructuring and one-off expenses	(158,458)	(20,341,222)
Other	(309,948,987)	(131,750,342)
	(1,202,967,174)	(1,396,029,207)

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NOTE 23 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from Investment Activities	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	703,348,128	705,827,753
Gain on revaluation of investment properties	317,808,996	198,855,450
Rent income	25,191,024	21,942,682
Gain on sale of fixed assets	4,317,958	3,480,843
Other	720,815	-
	1,051,386,921	930,106,728

Expenses from Investment Activities	1 January - 31 December 2023	1 January - 31 December 2022
Exchange difference expenses	(179,313,648)	(68,186,932)
	(179,313,648)	(68,186,932)

NOTE 24 - FINANCIAL INCOME AND EXPENSES

Financial income	1 January - 31 December 2023	1 January - 31 December 2022
Discount income from financing (*)	10,512,266	25,063,735
	10,512,266	25,063,735

Financial expense	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense	(770,314,755)	(282,562,533)
Exchange difference expenses on loans	(325,003,362)	(290,949,039)
Commission expenses	(74,354,279)	(80,643,708)
Financial expense on employee termination benefit	(30,206,156)	(1,691,610)
Other	(122,818,640)	(15,620,338)
	(1,322,697,192)	(671,467,228)

(*) The positive/negative difference between the interest rate which is understood within the framework of the renovation agreement within the framework of the unionized loan in other long-term commercial debts of Group to Yıldız Holding A.Ş. and the interest rates valid in the market were accountable in accordance with TFRS 9.

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NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group’s results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, current income taxes recognized in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey, the corporate tax rate is 25% as of 31 December 2023 (31 December 2022: 23%, 31 December 2021: 25%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws.

The Corporate tax rate is applied to the corporate income of the corporations, which is the result of the addition of expenses that are not allowed to be deducted in accordance with the tax laws and the exemptions and discounts included in the tax laws. Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

The 7061 numbered law on the Amendment of Some Tax Laws was entered into force by being published in the Official Gazette dated 5 December 2017 and numbered 30261. With the 89th article of this Law, amendments are made in the 5th article titled “Exceptions” of the Corporate Tax Law. The first paragraph of the article; With paragraph (a), the 75% exemption applied to the earnings arising from the sale of real estates which were stated in the assets of the institutions for two full years has been reduced to 50%. This amendment was entered into force on 5 December 2017.

	31 December 2023	31 December 2022	31 December 2021
Current income tax liabilities			
Current income tax expense	222,282,521	471,493,156	463,523
Less: prepaid taxes	(257,492,554)	(331,881,155)	(59,301,392)
Current income tax liability / (asset)	(35,210,033)	139,612,001	(58,837,869)

Income tax expense for the periods ended 31 December 2023 and 31 December 2022 comprised of the following items:

	1 January - 31 December 2023	1 January - 31 December 2022
Current income tax expense	(222,282,521)	(471,493,156)
Deferred tax income	315,504,861	(79,759,378)
Total tax expense	93,222,340	(551,252,534)

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.7)

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**NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TAS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with TAS, and these differences are stated below.

The tax rate used in the calculation of deferred tax assets and liabilities will be 25% for 2021, 23% for 2022 and 25% for 2023 taxation periods.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

As of 31 December 2023, 31 December 2022 and 31 December 2021 the breakdown of the accumulated temporary differences related to the Group and the deferred tax assets and liabilities using the applicable tax rates are as follows:

	Total temporary differences			Deferred tax assets / (liabilities)		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Provisions for employee termination benefits	223,545,258	260,667,432	168,976,332	55,886,315	59,953,509	42,244,083
Provisions for doubtful receivables	16,847,937	36,695,038	50,146,625	4,211,985	8,439,859	12,536,656
Provisions for lawsuits	3,315,496	8,128,907	17,382,731	828,874	1,869,649	4,345,682
Provision for unused vacations	32,647,711	28,989,742	21,142,919	8,161,928	6,667,641	4,228,584
Carry-forward tax losses (*)	420,880,978	252,433,407	964,493,242	33,356,037	56,359,539	257,838,882
Discount income from financing	(193,525,772)	(302,071,918)	(454,618,164)	(48,381,443)	(69,476,541)	(113,654,541)
Provision of performance premium	24,496,251	13,430,553	20,475,869	6,124,063	3,089,027	5,118,967
Foundation and organization expenses	927,144	1,527,682	2,509,517	231,786	351,367	627,379
Exchange difference assetization	124,390,751	83,918,821	-	31,097,688	19,301,329	-
Net differences between the carrying values and tax bases of investment properties	(1,247,126,539)	(1,080,145,112)	(210,560,585)	(168,967,149)	(133,117,175)	(71,371,252)
Revaluation differences on property, plant and equipment	(2,250,980,052)	(3,083,165,912)	(925,077,400)	(330,334,045)	(471,342,233)	(275,456,485)
Other	42,138,587	126,266,138	125,898,960	10,534,646	29,133,689	35,662,200
Deferred tax assets / (liabilities), net	(2,802,442,250)	(3,653,325,222)	(219,229,954)	(397,249,315)	(488,770,340)	(97,879,845)

(*) As of 31 December 2023, based on the projections and future estimations, there is no previous year loss for which deferred tax is not recognized, (31 December 2022: None, 31 December 2021: None).

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**NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

The effects of the net presentation style of the Group's consolidated balance sheet were reflected on the group's consolidated balance sheet because they have clearly demonstrated the deferred tax assets and obligations in the financial statements of subsidiaries with separate taxpayers. The temporary differences in the table above and the deferred tax assets and obligations are prepared on the basis of gross values.

Details of carry-forward tax losses are as below:

	31 December 2023	31 December 2022
Previous year losses		
2023	-	45,170,493
2024	63,596,756	40,394,835
2025	79,642,695	50,586,755
2026	91,759,635	58,283,087
2027	90,398,324	57,998,237
2028	95,483,568	-
	420,880,978	252,433,407

Movements of deferred tax assets / (liabilities) as of 1 January - 31 December 2023 and 1 January - 31 December 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening	(488,770,340)	(97,879,845)
Charged to profit or loss	315,504,861	(79,759,378)
Actuarial gains recorded in equity	11,761,705	21,058,748
Revaluation difference recorded in equity	(219,842,321)	(205,547,943)
Currency translation differences	(15,903,220)	(126,641,922)
End of the period	(397,249,315)	(488,770,340)

(*) Within the scope of inflation accounting, classification was made to previous year's profit / (loss).

The reconciliation of the current tax income and current profit before tax are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Total charge for the year can be reconciled to the accounting profit as follows:		
Profit from before tax	343,489,038	1,801,542,469
Legal income tax rate	25%	23%
Tax expense at the legal income tax rate	(85,872,260)	(414,354,768)
Expenses that are not deductible in determining taxable profit	(27,676,590)	(19,168,550)
Revenue that is exempt from taxation	6,674,801	5,422,186
Carry-forward losses, net	(14,342,077)	26,124,593
Effect of different tax rates	3,737,629	(10,993,852)
Inflation accounting effect	37,884,848	(138,514,420)
Other tax effect, net	172,815,989	232,277
Income tax provision recognised in profit or loss	93,222,340	(551,252,534)

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NOTE 26 - EARNING PER SHARE

	1 January - 31 December 2023	1 January - 31 December 2022
Net gain for the year attributable to equity holders of the parent	583,820,478	1,342,233,213
Weighted average number of shares	662,000,000	662,000,000
Earning per share (TRY)	0.8819	2.0275

NOTE 27 - BORROWINGS

	31 December 2023	31 December 2022	31 December 2021
Short term borrowings			
Short term foreign currency loans	1,897,102,758	2,304,572,705	3,548,385,643
Short term local currency loans	150,397,450	263,636,670	-
Current portion of long-term financial liabilities	171,991,641	-	-
Short term lease liabilities	51,059,204	52,942,816	109,006,256
	2,270,551,053	2,621,152,191	3,657,391,899

	31 December 2023	31 December 2022	31 December 2021
Long term borrowings			
Long term foreign currency loans	322,446,288	-	-
Long term lease liabilities	149,793,415	209,227,839	323,934,674
	472,239,703	209,227,839	323,934,674

As of 31 December 2023, 31 December 2022 and 31 December 2021 details of short and long-term bank loans are as follows:

31 December 2023				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	July 2024	10.6	1,565,698	46,174,469
EUR	May 2024 – Dec. 2025	6.5 - 10.00	71,871,877	2,345,366,218
TRY	Feb. 2024 - Sept. 2024	9.5 - 26	150,397,450	150,397,450
				2,541,938,137

31 December 2022				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Feb. 2023	4.90	374,020	11,523,457
EUR	Jan. 2023 - Nov. 2023	4.1 - 6.57	69,683,842	2,293,049,249
TRY	Oct. 2023 - Nov. 2023	10.5 - 12	263,636,669	263,636,669
				2,568,209,375

31 December 2021				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Apr. 2022 - May 2022	0.93	16,848,968	607,874,449
EUR	Feb. 2022 - Oct. 2022	3.28 - 5.50	72,008,797	2,940,511,194
				3,548,385,643

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NOTE 27 - BORROWINGS (Continued)

Movement of borrowings	1 January - 31 December 2023	1 January - 31 December 2022
Opening	2,568,209,375	3,548,385,643
Foreign exchange differences	325,003,362	290,949,039
Interest paid	(415,967,016)	(38,721,053)
Interest accrual	419,650,042	38,721,053
Borrowing received in current year	2,859,297,052	2,052,868,291
Payments in current year	(2,204,680,908)	(2,099,819,757)
Inflation effect	(1,009,573,770)	(1,224,173,841)
Closing	2,541,938,137	2,568,209,375

Details of short and long-term lease liabilities are as follows:

31 December 2023				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Jan. 2024 – Sep.2025	5.25	3,679,483	108,512,737
EUR	Sep. 2024	3.66	338,107	11,033,310
TRY	Jan. 2024 – May 2029	15.45 – 55.00	81,306,572	81,306,572
				200,852,619

31 December 2022				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Oct. 2025	5.25	6,132,500	189,281,226
EUR	Sep. 2024	3.66	774,969	25,501,491
TRY	Jan. 2023 – Oct. 2026	19.00 – 45.36	47,387,939	47,387,938
				262,170,655

31 December 2021				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Oct. 2025	5.25	8,089,279	291,843,752
EUR	Sep. 2024	3.66	1,196,406	48,855,764
TRY	Apr. 2023 – Feb. 2026	19.00 – 45.36	92,241,414	92,241,414
				432,940,930

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using net financial debt / capital ratio, which calculated by dividing net debt to total capital. Net debt is calculated by deducting cash and cash equivalents and other receivables from related parties from total financial liabilities which is calculated by summing total short-term and total long-term liabilities, total short-term and total long-term other payables to related parties. Total capital (in other words total equity) is the difference between total assets and total liabilities.

Net financial debt / total capital ratios as of 31 December 2023, 2022 and 2021, are as follows:

	31 December 2023	31 December 2022	31 December 2021
Total financial liabilities	3,415,744,891	4,783,761,086	6,382,028,041
Less: Other receivables from related parties	1,787,421,740	3,593,247,872	3,320,805,361
Less: Cash and cash equivalents (Note 29)	44,397,599	453,330,768	175,898,669
Net financial debt	1,583,925,552	737,182,446	2,885,324,011
Total equity	7,286,543,429	7,384,063,422	4,805,512,088
Total capital	8,870,468,981	8,121,245,868	7,690,836,099
Net debt / total capital ratio	0.18	0.09	0.38

b) Financial Risk Factors

The Group has exposure to the market risk, credit risk, liquidity risk arising from its operations. Risk management activities of the Group are focused minimizing the negative effects of uncertainties in market conditions on the Group’s financial performance.

Risk management is conducted by a centralized finance department in accordance with the policies approved by Board of Directors. The risks are identified, evaluated by the finance department of the Group and instruments to reduce the impacts of the risk are utilized with the cooperation with operation units of the Group.

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

b.1) Credit Risk

Credit Risks Exposed According to Types of Financial Instruments

31 December 2023	Receivables				Deposits at Banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of balance sheet date (*)	1,434,519,380	1,227,324,922	1,787,421,740	140,649,768	44,397,599
- Secured portion of the maximum credit risk by guarantees (**)	-	523,393,304	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,284,731,419	940,360,768	1,787,421,740	140,649,768	44,397,599
B. Net book value of financial assets that are past due but not impaired	149,787,961	286,964,154	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	241,676,194	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	46,771,656	-	-	-
- Impairment	-	(46,771,656)	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

(*) On the determination of the amount, factors that increase credit reliability, such as collaterals received, are not considered.

(**) Guarantees are comprised of *letter of guarantees, mortgages and cheques of cheques received from customers.*

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

b.1) Credit Risk (Continued)

Credit Risks Exposed According to Types of Financial Instruments

31 December 2022	Receivables				Deposits at Banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of balance sheet date (*)	1,760,795,722	1,299,597,711	3,593,247,872	92,704,646	453,330,768
- Secured portion of the maximum credit risk by guarantees (**)	-	1,128,823,353	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,691,184,437	1,099,448,001	3,593,247,872	92,704,646	453,330,768
B. Net book value of financial assets that are past due but not impaired	69,611,285	200,149,710	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	139,686,907	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	80,891,166	-	-	-
- Impairment	-	(80,891,166)	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

(*) On the determination of the amount, factors that increase credit reliability, such as collaterals received, are not considered.

(**) Guarantees are comprised of *letter of guarantees, mortgages and cheques of cheques received from customers.*

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

b.1) Credit Risk (Continued)

Credit Risks Exposed According to Types of Financial Instruments

31 December 2021	Receivables				Deposits at Banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of balance sheet date (*)	1,608,548,073	1,280,109,258	3,320,805,361	21,300,997	175,898,669
- Secured portion of the maximum credit risk by guarantees (**)	-	127,989,934	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,608,548,073	1,087,465,053	3,320,805,361	21,300,997	175,898,669
B. Net book value of financial assets that are past due but not impaired	-	192,644,205	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	118,963,620	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	97,398,880	-	-	-
- Impairment	-	(97,398,880)	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

(*) On the determination of the amount, factors that increase credit reliability, such as collaterals received, are not considered.

(**) Guarantees are comprised of *letter of guarantees, mortgages and cheques of cheques received from customers.*

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023, 2022 and 2021, the aging of trade receivables that are past due but not impaired are as below:

	31 December 2023	31 December 2022	31 December 2021
Past due up to 30 days	198,875,422	197,839,889	125,392,485
Past due 1 - 3 months	87,985,470	1,865,747	39,254,396
Past due 3 - 12 months	103,262	444,074	27,997,324
Total past due receivables	286,964,154	200,149,710	192,644,205
Secured portion of receivables by guarantees	241,676,194	139,686,907	118,963,620

b.2) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Funding risk of current and future requirement of liquidity is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

The followings presents, contractual maturities of non-derivative financial liabilities of the Group.

Contractual Maturities

	Non-Derivative Financial Liabilities				
	Carrying value	Total Contractual Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
31 December 2023					
Borrowings	2,541,938,137	2,541,938,137	1,857,788,040	361,703,809	322,446,288
Lease Liabilities	200,852,619	112,769,699	12,700,897	33,385,062	66,683,740
Trade payables to third parties	3,934,171,883	3,934,171,883	2,411,539,936	1,522,631,947	-
Trade payables to related parties	36,079,305	36,079,305	36,079,305	-	-
Other payables	117,753	117,753	117,753	-	-
Other payables to related parties	672,954,135	866,479,907	-	-	866,479,907
Payables to employees	83,258,587	83,258,587	83,258,587	-	-
	7,469,372,419	7,574,815,271	4,401,484,518	1,917,720,818	1,255,609,935

The maturities that the Group estimated is the same with the contractual maturities.

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Contractual Maturities (Continued)

	Non-Derivative Financial Liabilities				
	Carrying value	Total Contractual			
		Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
31 December 2022					
Borrowings	2,568,209,375	2,568,209,375	1,831,283,424	736,925,951	-
Lease Liabilities	262,170,655	282,572,079	23,127,498	71,635,654	187,808,927
Trade payables to third parties	3,799,424,949	3,799,424,950	2,429,124,205	1,370,300,745	-
Trade payables to related parties	22,876,668	22,876,668	22,876,668	-	-
Other payables	123,238	123,238	123,238	-	-
Other payables to related parties	1,953,381,056	2,369,414,925	-	30,030,667	2,339,384,258
Payables to employees	62,241,356	62,241,356	62,241,356	-	-
	8,668,427,297	9,104,862,591	4,368,776,389	2,208,893,017	2,527,193,185

	Non-Derivative Financial Liabilities				
	Carrying value	Total Contractual			
		Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
31 December 2021					
Borrowings	3,548,385,643	3,548,385,644	371,742,374	3,176,643,270	-
Lease Liabilities	432,940,930	508,148,095	36,548,258	111,163,329	360,436,508
Trade payables to third parties	2,851,874,531	2,851,856,127	1,494,787,211	1,357,068,916	-
Trade payables to related parties	46,404,225	46,404,225	46,404,225	-	-
Other payables	6,795,886	6,057,900	6,057,900	-	-
Other payables to related parties	2,400,701,468	2,400,465,075	-	-	2,400,465,075
Payables to employees	50,799,123	50,797,827	50,797,827	-	-
	9,337,901,806	9,412,114,893	2,006,337,795	4,644,875,515	2,760,901,583

The maturities that the Group estimated is the same with the contractual maturities.

b.3) Market Risk Management

Due to its operations, the Group exposed to financial risks related to changes in foreign exchange rates and interest rates

The Group evaluates market risk with sensitivity analysis.

The Group’s market risk management policies have not changed during the period compared to previous period.

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Currency Risk Management

The Group is exposed to currency risk on its operations that are denominated in other currencies,

The distribution of the Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows:

31 December 2023	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	325,891,934	10,248,807	742,177	283
2a. Monetary Financial Assets	33,486,938	869,334	236,228	5,391
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	13,902,107	43,102	387,834	-
4.CURRENT ASSETS (1+2+3)	373,280,979	11,161,243	1,366,239	5,674
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS (5+6+7)	-	-	-	-
9. TOTAL ASSETS (4+8)	373,280,979	11,161,243	1,366,239	5,674
10. Trade Payables	1,912,416,603	6,883,376	52,371,637	5,849
11. Financial Liabilities	2,068,855,716	1,565,698	61,990,768	-
12a. Monetary Other Liabilities	26,183,162	190,126	630,538	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	4,007,455,481	8,639,200	114,992,943	5,849
14. Trade Payables	-	-	-	-
15. Financial Liabilities	441,992,348	3,679,483	10,219,217	-
16a. Monetary Other Liabilities	34,569,296	1,172,186	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	476,561,644	4,851,669	10,219,217	-
18. TOTAL LIABILITIES (13+17)	4,484,017,125	13,490,869	125,212,160	5,849
19 Off-balance Sheet Derivative Instruments Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(4,110,736,146)	(2,329,626)	(123,845,921)	(175)
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(4,110,736,146)	(2,329,626)	(123,845,921)	(175)
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	2,779,274,972	67,074,898	8,063,917	-
24. Import	(5,845,709,017)	(3,310,662)	(141,868,879)	(196,325)

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	371,974,096	10,997,492	1,006,332	2,431
2a. Monetary Financial Assets	8,240,170	210,758	53,179	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	6,164,390	130,168	65,574	-
4.CURRENT ASSETS (1+2+3)	386,378,656	11,338,418	1,125,085	2,431
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	4,339,859	19,083	114,223	-
8. NON-CURRENT ASSETS (5+6+7)	4,339,859	19,083	114,223	-
9. TOTAL ASSETS (4+8)	390,718,515	11,357,501	1,239,308	2,431
10. Trade Payables	1,642,811,385	20,868,841	30,100,266	242,869
11. Financial Liabilities	2,367,307,849	2,410,232	69,683,841	-
12a. Monetary Other Liabilities	20,170,969	84,861	533,382	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	4,030,290,203	23,363,934	100,317,489	242,869
14. Trade Payables	-	-	-	-
15. Financial Liabilities	151,707,044	4,096,288	774,969	-
16a. Monetary Other Liabilities	36,097,331	1,169,513	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	187,804,375	5,265,801	774,969	-
18. TOTAL LIABILITIES (13+17)	4,218,094,578	28,629,735	101,092,458	242,869
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(3,827,376,063)	(17,272,234)	(99,853,150)	(240,438)
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(3,827,376,063)	(17,272,234)	(99,853,150)	(240,438)
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	1,852,589,462	90,134,420	6,347,646	69,960
24.Import	(4,081,507,487)	(2,816,628)	(205,734,897)	(429,461)

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2021	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	381,777,416	9,474,593	716,418	220,064
2a. Monetary Financial Assets	157,234,592	3,943,888	366,045	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	3,626,241	99,983	467	-
4.CURRENT ASSETS (1+2+3)	542,638,249	13,518,464	1,082,930	220,064
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	11,367,309	483	277,942	-
8. NON-CURRENT ASSETS (5+6+7)	11,367,309	483	277,942	-
9. TOTAL ASSETS (4+8)	554,005,558	13,518,947	1,360,872	220,064
10. Trade Payables	1,827,309,058	1,513,393	43,295,722	113,662
11. Financial Liabilities	3,618,982,007	18,805,747	72,008,797	-
12a. Monetary Other Liabilities	13,049,417	40,622	283,672	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	5,459,340,482	20,359,762	115,588,191	113,662
14. Trade Payables	-	-	-	-
15. Financial Liabilities	270,103,150	6,132,500	1,196,406	-
16a. Monetary Other Liabilities	43,402,696	1,203,029	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	313,505,846	7,335,529	1,196,406	-
18. TOTAL LIABILITIES (13+17)	5,772,846,328	27,695,291	116,784,597	113,662
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(5,218,840,770)	(14,176,344)	(115,423,725)	106,402
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(5,218,840,770)	(14,176,344)	(115,423,725)	106,402
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	1,972,136,950	73,219,172	7,030,652	559,897
24. Import	(3,945,084,470)	(75,113,652)	(75,403,211)	(417,069)

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity Analysis to Currency Risk

The Group is mainly exposed to foreign currency risks in USD and EUR. The following table shows the Group’s sensitivity to a 10% increase and decrease in USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis comprises the borrowings used for foreign operations within the Group outside the functional currency. A positive number indicates an increase in profit / loss and other equity.

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2023		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(6,929,636)	6,929,636
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(6,929,636)	6,929,636
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(404,149,460)	404,149,460
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(404,149,460)	404,149,460
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	5,481	(5,481)
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	5,481	(5,481)
TOTAL (3+6+9)	(411,073,615)	411,073,615

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2022		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(53,374,271)	53,374,271
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(53,374,271)	53,374,271
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(328,588,800)	328,588,800
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(328,588,800)	328,588,800
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	(774,535)	774,535
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	(774,535)	774,535
TOTAL (3+6+9)	(382,737,606)	382,737,606

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NOTE 28 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity Analysis to Currency Risk (Continued)

31 December 2021	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(51,145,196)	51,145,196
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(51,145,196)	51,145,196
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(471,337,904)	471,337,904
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(471,337,904)	471,337,904
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	599,023	(599,023)
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	599,023	(599,023)
TOTAL (3+6+9)	(521,884,077)	521,884,077

Interest Rate Risk Management

The Group’s borrowings with fixed and variable interest rates exposes the Group to interest rate risk.

The interest rate profile of the Group’s interest-bearing financial instruments are as follows:

Interest Position	31 December 2023	31 December 2022	31 December 2021
Fixed interest rate instruments			
Borrowings	2,283,435,290	2,830,380,030	3,981,326,573
Cash and cash equivalents (term deposits)	10,803,370	423,913,316	136,937,654
Trade receivables	2,661,844,302	3,060,393,433	2,888,657,330
Other receivables	1,928,071,508	3,685,952,518	3,342,106,358
Trade payables	3,970,251,188	3,822,301,617	2,898,278,756
Other payables	673,071,888	1,953,504,294	2,407,497,354
Variable interest rate instruments			
Borrowings	459,355,466	-	-

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NOTE 29 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022	31 December 2021
Cash at banks	43,641,365	446,687,705	162,073,960
- Demand deposits	32,837,995	22,774,389	25,136,306
- Time deposits (*)	10,803,370	423,913,316	136,937,654
Credit card receivables	756,234	6,643,063	13,824,709
	44,397,599	453,330,768	175,898,669

(*) The maturity of time deposit balances at banks is 2 January 2024 and the average interest rates are 32% for TRY and 0.5% for EUR. (31 December 2022: in the range between 19.50% and 22% in TRY, 31 December 2021: in the range between 15.50% and 19% in Turkish Lira, 0.05% and 0.90% in USD and 0.05% in EUR).

NOTE 30 - SUBSEQUENT EVENTS

None.

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