

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
WITH INDEPENDENT AUDITOR'S REPORT
(Originally Issued In Turkish)**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

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**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

		Audited	
	Note	31 December 2023	31 December 2022
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,258,631,029	884,603,863
Trade receivables	6	1,521,125,285	1,292,986,767
- Related parties	5	32,032,232	33,709,288
- Other parties		1,489,093,053	1,259,277,479
Other receivables		111,858,333	19,254,800
- Other parties	7	111,858,333	19,254,800
Inventories	8	1,275,537,490	1,762,560,504
Biological assets	9	1,169,702,135	1,412,959,865
Prepaid expense	10	141,453,302	325,226,962
Current tax assets	31	143,892,121	135,555,255
Other current assets	21	794,015,567	1,089,945,120
Subtotal		6,416,215,262	6,923,093,136
Assets held for sale	22	39,785,017	128,246,597
Total Current Assets		6,456,000,279	7,051,339,733
Non-Current Assets			
Other receivables		379,352	207,337
- Other parties	7	379,352	207,337
Property, plant and equipment	13	4,304,801,372	4,525,365,027
Right of use of assets	15	71,422,474	100,050,747
Intangible assets		84,153,037	104,301,398
- Other intangible assets	14	84,153,037	104,301,398
Prepaid expenses	10	14,463,162	161,116,575
Other non-current Assets	21	-	257,220,445
Total Non-current Assets		4,475,219,397	5,148,261,529
Total Assets		10,931,219,676	12,199,601,262

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

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME AS AT 31 DECEMBER 2023**

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

		Audited	
	Note	31 December 2023	31 December 2022
LIABILITIES			
Short-term Liabilities			
Short-term borrowings	4	1,225,450,197	2,271,230,057
Short-term lease liabilities	4	7,444,154	22,413,447
Short-term portions of long-term borrowings	4	46,148,577	574,689,970
Other financial liabilities	4	1,282,090	82,239,189
Trade payables	6	3,396,706,421	3,855,900,151
-Related parties	5	18,597,510	1,371,893
-Other parties		3,378,108,911	3,854,528,258
Liabilities related to the employee benefits	20	145,188,375	57,960,117
Derivative Instruments		9,441,356	24,773,411
Other payables	7	203,123,642	21,672,483
-Related parties	5	200,069,721	18,578,685
-Other parties		3,053,921	3,093,798
Deferred revenue	11	61,047,406	33,704,052
Current tax liabilities	31	387,810,069	-
Short-term provisions		161,716,655	100,576,925
-Provisions related to the employee benefits	19	141,513,137	75,296,452
-Other	18	20,203,518	25,280,473
Other short-term liabilities		587,492	1,827,880
Total Short-term Liabilities		5,645,946,434	7,046,987,682
Long-term Liabilities			
Long-term borrowings	4	69,343,256	210,914,561
Long-term lease liabilities	4	11,211,289	21,115,615
Other liabilities		-	164,773
-Other parties		-	164,773
Long-term provisions		742,448,985	466,633,393
-Provisions related to the employee benefits	19	742,448,985	466,633,393
Deferred tax liability	31	60,759,713	452,289,132
Total Long-term Liabilities		883,763,243	1,151,117,474
Total Liabilities		6,529,709,677	8,198,105,156
EQUITY			
Paid-in share capital	23	100,023,579	100,023,579
Inflation adjustment of capital	23	1,352,865,790	1,352,865,790
Accumulated other comprehensive expense that will not be reclassified through profit or loss		(358,393,045)	(146,236,256)
- Remeasurement of the defined benefit liability		(737,204,212)	(298,579,277)
- Fixed assets revaluation	23	378,811,167	152,343,021
Accumulated other comprehensive expense that may be reclassified through profit or loss		613,646,976	964,060,949
-Translation differences	23	613,646,976	982,862,514
- Hedging gains	23	-	(18,801,565)
Restricted reserves	23	15,190,838	15,190,838
Other reserves	23	5,611,290	5,611,290
Accumulated gains/(losses)	23	1,720,598,981	2,692,648,086
Loss/(Profit) for the period		951,965,590	(982,668,170)
Total Equity		4,401,509,999	4,001,496,106
Total Equity and Liabilities		10,931,219,676	12,199,601,262

The accompanying notes are an integral part of these consolidated financial statements

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME AS AT 31 DECEMBER 2023**

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

		Audited	
	Note	1 January - 31 December 2023	1 January - 31 December 2022
PROFIT OR LOSS			
Revenue	24	21,324,856,578	20,273,876,437
Cost of Sales (-)	24	(18,794,748,177)	(20,790,271,633)
Gross Profit from Business Operations		2,530,108,401	(516,395,196)
General administrative expenses (-)	25	(462,973,074)	(343,542,953)
Selling, marketing and distribution expenses (-)	25	(1,192,650,261)	(1,262,473,447)
Research and development expenses (-)		(426,601)	(336,478)
Other income from operating activities	27	1,036,724,783	960,257,121
Other expenses from operating activities (-)	27	(1,584,478,042)	(1,126,244,237)
(Loss)/Profit From Operating Activities		326,305,206	(2,288,735,190)
Income from investing activities	28	96,170,634	27,618,232
Loss from investing activities (-)		-	-
(Loss)/Profit From Operating Activities Before Financial Expense		422,475,840	(2,261,116,958)
Finance income	29	188,343,510	112,074,239
Finance expenses (-)	29	(1,204,801,068)	(866,389,613)
Monetary gain/loss (-)		2,002,490,115	2,077,783,744
(Loss)/Profit Before Tax from Continuing Operations		1,408,508,397	(937,648,588)
Loss)/Profit Before Tax from Discontinued Operations		(49,353,254)	(30,607,483)
Tax (Expense)/Income			
- Current tax income/(expense)	31	(421,690,637)	-
- Deferred tax income	31	14,501,084	(14,412,099)
(Loss)/Profit For the Period		951,965,590	(982,668,170)
Distribution of Net (Loss)/Profit			
- Parent company	32	951,965,590	(982,668,170)
(Loss)/Earnings per share			
(Loss)/Earnings per share from continuing operations	32	9,5174	(9,8244)
Diluted (loss)/earnings per share from continuing operations	32	9,5174	(9,8244)
(Loss)/Earnings per share from continuing operations		(0,4934)	(0,3060)
Diluted (loss)/earnings per share from continuing operations		(0,4934)	(0,3060)
OTHER COMPREHENSIVE INCOME			
That will not be reclassified through profit or loss	30	(201,537,724)	(146,236,256)
- Defined benefit plans remeasurement losses		(584,833,247)	(373,224,096)
- Deferred tax income/(expense)		146,208,312	74,644,819
- Property, plant and equipment revaluation increases/(decreases), net	13	-	187,799,975
- Deferred tax effect of property, plant and equipment value increases/(decreases)		237,087,211	(35,456,954)
That may be reclassified through profit or loss		(255,492,859)	(285,296,027)
- Cash flow hedge gains/(losses)		25,068,753	(23,501,956)
- Deferred tax income/(expense)		(6,267,188)	4,700,391
- Translation reserve	38	(274,294,424)	(266,494,462)
Total Other Comprehensive Loss		(457,030,583)	(431,532,283)
Total Comprehensive Income		494,935,007	(1,414,200,453)

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

			Other accumulated comprehensive income and expenses not to be reclassified in profit or loss	Other accumulated comprehensive income and expenses to be reclassified in profit or loss					Retained (Losses)/earning		
	Paid-in capital	Capital adjustment differences	Revaluation and measuring gain/(loss) from defined benefit plans	Revaluation funds	Change in foreign exchange differences	Hedging gains/losses	Other reserves	Restricted profit reserves	Retained earnings	Net (loss)/ profit for the period	Total equity
Balance as at 1 January 2023	100,023,579	1,352,865,790	(298,579,277)	152,343,021	982,862,514	(18,801,565)	5,611,290	15,190,838	2,692,648,086	(982,668,170)	4,001,496,106
Transfers	-	-	-	(10,619,065)	-	-	-	-	(972,049,105)	982,668,170	-
Subsidiary sales impact (*)	-	-	-	-	(94,921,114)	-	-	-	-	-	(94,921,114)
Total comprehensive income	-	-	(438,624,935)	237,087,211	(274,294,424)	18,801,565	-	-	-	951,965,590	494,935,007
Balance as at 31 December 2023	100,023,579	1,352,865,790	(737,204,212)	378,811,167	613,646,976	-	5,611,290	15,190,838	1,720,598,981	951,965,590	4,401,509,999
Balance as at 1 January 2022	100,023,579	1,352,865,790	-	-	1,249,356,976	-	5,611,290	15,190,838	2,435,101,695	257,546,391	5,415,696,559
Transfers	-	-	-	-	-	-	-	-	257,546,391	(257,546,391)	-
Total comprehensive income	-	-	(298,579,277)	152,343,021	(266,494,462)	(18,801,565)	-	-	-	(982,668,170)	(1,414,200,453)
Balance as at 31 December 2022	100,023,579	1,352,865,790	(298,579,277)	152,343,021	982,862,514	(18,801,565)	5,611,290	15,190,838	2,692,648,086	(982,668,170)	4,001,496,106

(*) Note 22.

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

		Audited 1 January - 31 December 2023	1 January - 31 December 2022
	Note		
CASH FLOWS ARISING FROM OPERATING ACTIVITIES			
(Loss)/Profit for the Period		951,965,590	(982,668,170)
Adjustments Regarding Net (Loss)/Profit Reconciliation for the Period:			
Adjustment of Depreciation and Amortization	26	1,264,994,480	810,453,849
Adjustment of Decrease in Value of Trade Receivables	6	646,973	(2,054,634)
Adjustments for Fair Value (Gains)/Losses of Derivative Financial Instruments		10,121,391	338,526
Adjustment of Decrease (Reversal) in Value in Inventories	8	(3,543,216)	(40,647,441)
Adjustment of Provisions for Employee Benefits	19	269,249,451	72,621,041
Adjustments Regarding Provisions	18	(5,076,955)	4,344,713
Adjustments Regarding Tax (Income)/Expense	31	407,189,553	14,412,099
Adjustments Profit/Loss on disposal of tangible and Intangible Assets, net		-	884,041
Adjustment for Impairment of Asset Held for Sale	22	(96,170,634)	(27,618,232)
Interest Paid	29	608,321,766	424,784,000
Interest Income	29	(150,948,392)	(35,444,653)
Operating Activities Provision Inflation Impact		(1,344,597,101)	(1,661,646,383)
Non Operating Monetary Gain & Loss		369,127,316	2,452,074,246
Changes in Working Capital		1,469,720,025	1,960,653,389
Change in Trade Receivables		(223,382,920)	230,316,419
Change in Inventories		1,213,915,653	2,174,437,625
Change in Trade Payables		(459,193,730)	603,293,987
Change in Employee Benefits		87,228,258	2,206,832
Change in Government Grants		50,896,267	(13,081,579)
Change in Other Assets Regarding Operating Activities		593,251,843	(1,001,687,688)
Change in Other Liabilities Regarding Operating Activities		207,004,654	(34,832,207)
Net Cash Provided from Operating Activities		3,751,000,247	2,990,486,390
Taxes Paid	31	(42,217,434)	(240,205,392)
Payments Made within The Scope of Provisions for Employment Benefits	19	(243,401,245)	(35,573,648)
Net Cash (Used in)/Provided From Operating Activities		3,465,381,568	2,714,707,350
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets		142,761,554	156,177
Acquisition of Property, Plant and Equipment and Intangible Assets	13,14	(274,862,260)	(1,066,369,101)
Proceeds from Assets Held for Sale		184,632,214	64,751,045
Cash Advances and Payables Given		146,653,417	(104,907,995)
Proceeds from Sale of Biological Assets	9	12,799,543,871	14,847,675,306
Acquisition and Physical Change on Biological Assets	9	(14,142,468,819)	(16,088,796,879)
Net Cash Flows (Used in) Investing Activities		(1,143,740,023)	(2,347,491,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	4	1,589,566,050	5,878,942,984
Repayment of borrowings	4	(2,313,722,664)	(4,415,269,306)
Repayment of lease liabilities		(32,287,436)	(73,145,145)
Proceeds from other financial liabilities	4	(80,957,099)	41,605,225
Interest Income		150,948,392	35,444,653
Interest paid		(515,465,802)	(339,652,010)
Cash Flows Provided From Financing Activities		(1,201,918,559)	1,127,926,401
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF TRANSLATION DIFFERENCE		1,119,722,986	1,495,142,304
EFFECT OF TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENTS		(369,215,541)	(266,494,462)
NET INCREASE OF CASH AND CASH EQUIVALENTS		750,507,445	1,228,647,842
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		814,568,196	2,037,994,600
EFFECTS OF INFLATION ON CASH		(369,127,316)	(2,452,074,246)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1,195,948,325	814,568,196

The accompanying notes are an integral part of these consolidated financial statement.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

1 ORGANIZATION AND OPERATION OF THE GROUP

Banvit Bandırma Vitaminli Yem Sanayii Anonim Şirketi ("Company" or "Banvit"), was registered in Bandırma, in Turkey, in 1968. 8.29% (31 December 2022: 8.29 %) of Banvit shares is listed on Istanbul Stock Exchange ("ISE").

The main operations of Banvit are marketing, slaughtering and production of animal feed, breeding eggs, one-day-old chicks, live turkeys, live chickens, processed turkeys, and processed chickens. Financial statements in this consolidated Statement include the Company and its subsidiaries. In the following sections, the Parent Company and its subsidiaries will be referred to as "Group".

The subsidiaries included in consolidation as of 31 December 2023 and 31 December 2022, their cities of incorporation, nature of businesses and participation rates of the Company are as follows:

	Country of Subsidiary	Field of Subsidiary	Participation Rate	
			31 December 2023	31 December 2022
Nutrinvestments B.V. (**)	Holland	Holding Company	100,00%	100.00%
Banvit Enerji ve Elektrik Üretim Anonim Şirketi ("Banvit Enerji") (*)	Turkey	Energy production	100,00%	100.00%
Banvit ME FZE	United Arab Emirates	Marketing and sales	-	100.00%

(*) Banvit ME FZE, a 100% subsidiary of Nutrinvestments B.V., has been liquidated as of March 21, 2023.

(**) As of March 31, 2023, the liquidation procedures of Nutrinvestment B.V., which is 100% owned by Banvit, have been initiated but not completed as of 31 December 2023.

Banvit's subsidiary, Nutrinvestments B.V. was established on 18 August 1999 as a holding company in Amsterdam, Holland.

Banvit ME FZE, a subsidiary of Nutrinvestments B.V., was established on 16 July 2012 in the Jebel Ali Free Zone in the United Arab Emirates as a free zone company to operate in marketing and sales of the Group's products to Gulf countries.

Banvit Energy, a subsidiary of Banvit, obtained the necessary license from the Energy Market Regulatory Authority, for the purpose of establishing, commissioning, leasing a production facility for the conversion of energy resources into electrical energy at production facilities, generating electrical energy, and selling the generated electrical energy and/or capacity to customers. It was established in 14 May 2009 and registered in the trade registry on 5 June 2009. On October 25, 2010, Banvit Energy's license application to the Energy Market Regulatory Authority was finalized and it will be valid until February 22, 2059, with a total facility completion period of 34 months, 16 months for the pre-construction period and 18 months for the construction period. production license has been granted.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

1 ORGANIZATION AND OPERATION OF THE GROUP (Continued)

Banvit's subsidiary, Banvit Enerji, was established on 14 May 2009 and registered on 5 June 2009 for the purpose of establishing, commencing and renting manufacturing plants to have the energy sources turned into electrical energy in those plants, producing electrical energy, selling the produced electrical energy and/or the capacity of the produced energy to the customers. Banvit Enerji detains an electricity generation license issued by EMRA (Electricity Market Regulator Authority) on 25 October 2010. The license is valid until 22 February 2059 with 16 months pre-plant construction period and 18 months completion of plant construction.

As of 31 December 2023 and 31 December 2022, the number of personnel by category is as follows:

	31 December 2023	31 December 2022
Blue collar	4,174	4,334
White collar	642	703
Total employees	4,816	5,037

The address of the registered office and headquarters of the Company is as follows:

Ömerli Mahallesi, Ömerli Sokak, No: 208
10202 Bandırma - Balıkesir / Turkey
Website: <http://www.banvit.com/>

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Functional and reporting currency

The Parent Company uses Turkish Lira ("TL") as functional currency and reporting currency. The functional currencies used by the subsidiaries are as follows;

	Functional Currency
Nutrinvestments B.V.	Euro
Banvit ME FZE	Arab Emirates Dirham ("AED")

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

The financial statements of entities whose functional currency is not TL are prepared in their own function currency and these financial statements are translated to TL for consolidation purposes in accordance with the TAS 21 (The Effects of Changes in Foreign Exchange Rates). The Group has determined its reporting currency as the Turkish Lira for presentation purposes of consolidated financial statements and explanatory notes. All currencies other than the currency selected for measurement of the consolidated financial statement items are foreign currencies.

Foreign currency transactions of related subsidiaries are translated to the functional currency at the actual rates applicable of the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates valid at the reporting dates. Translation gains and losses related to monetary items represent the difference between the amounts calculated in the functional currency valid at the beginning and the end of the period.

Adjustment of financial statements in hyperinflationary periods

Group prepared its consolidated financial statements as at and for the year ended December 31, 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has presented its consolidated financial statements as of December 31, 2022 on the purchasing power basis as of December 31, 2023.

In accordance with the CMB's decision dated December 28, 2023 and numbered 81/1820, 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 to their annual financial statements for the accounting periods ending on December 31, 2023.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute. As of December 31, 2023, the indexes and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Dates	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
31 December 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

2.1 Basis of presentation (Continued)

The main components of Group's restatement for the purpose of financial reporting 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 at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- All items in the statement of comprehensive income, except for the effects of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the consolidated income statement in the net monetary position loss account.

Foreign currency transactions

Transactions in foreign currencies are translated to TL at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

The closing exchange rates for the year ended are as follows:

	31 December 2023		31 December 2022	
	Period End	Average	Period End	Average
Euro ("EUR")/TL	32.5739	25.7198	19.9349	17.3775
United States Dollars ("USD")/TL	29.4382	23.7776	18.6983	16.5659
Great Britain Pounds ("GBP")/TL	37.4417	29.5688	22.4892	20.3295
United Arab Emirates Dirham ("AED")/TL	7.9704	6.4285	5.0627	4.5113

Statement of Compliance with Turkish Financial Reporting Standards ("TFRS")

The Parent Company and its subsidiary in Turkey maintains its books of account and legal records with respect to fiscal legislation is Turkish Lira (TL). The Subsidiaries which are operating in abroad maintains its books of account and legal records with respect to fiscal legislation of their country and currency.

The consolidated financial statements are prepared in accordance with TFRS published by Public Oversight Accounting and Auditing Standards Authority ("POA") together with the provisions of accordance with to Capital Market Board of Turkey ("CMB")'s "Principles of Financial Reporting in Capital Market" dated 13 June 2013 and published in the Official Gazette numbered 28676 Series II. No.14.1. TFRS consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS interpretations and TFRS interpretations.

The consolidated condensed financial statements have been presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement examples determined in the Financial Statement Examples and User Guide published by POA on October 4, 2022.

The Group's consolidated financial statements as at and for the year ended 31 December 2023 were approved by the Group Management on 26 February 2024. The General Assembly and the related regulatory bodies have the right to amend the financial statements prepared in accordance with legal regulations and the financial tables prepared in accordance with TAS.

Consolidation principles:

Where the Company has a voting right of more than 50% in an entity due to its direct (a) and/or indirect shareholding within the entity or where the Company uses effective control on the financial and operating policies of the entity to the Company's own advantage even without (b) holding more than 50% of the shares, the entity is included as a subsidiary in the consolidation.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

All items of the statement of financial position except for the paid-in capital of the Parent Company and its subsidiary and their equities at the acquisition date are added, and intercompany balances are eliminated. The Parent Company's interest in the subsidiary is set off against the Financial Assets account of the Parent Company and the Share Capital account of the subsidiary. As of the acquisition date that the entity included in the consolidation becomes a subsidiary and in the subsequent share acquisitions, the acquisition cost of the Parent Company's shares in its subsidiary is set off against the value representing these shares in the equity account of the Subsidiary's statement of financial position drawn up according to fair value.

Shares other than Parent Company shares and Subsidiary shares are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as "Non-controlling interests" in the equity account group of the consolidated statement of financial position.

2.2 Significant accounting estimates and assumptions

The preparation of the consolidated financial statements require Group Management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in statements of income in the periods they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) Provision for employment termination benefits

Termination indemnity liability is determined by using actuarial assumptions as discount rates, future salary increases and employee turnover rates by the Group. As these plans are long term plans, the said assumptions include significant ambiguities. Actuarial gains or losses are stated in consolidated other comprehensive income.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

b) Trade receivable

Provision for doubtful receivables is an estimated amount that Group Management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions.

c) Useful life

The useful economic lifetime of Group's assets are determined by Group Management at acquisition date of asset and they are revised regularly. Group determines the useful lifetime of an asset by considering the assets' approximate benefit. This assessment based on the experience of used similar assets. The Group considers the situation that will become unusable in terms of technical or commercial values, as a result of changes or progression in the market when determine the useful lifetime of an asset.

d) Revaluation of land, buildings and land improvements, machinery and equipments

The frequency of revaluation studies is determined to ensure that the carried values of the tangible fixed assets and investment properties are not significantly different from their fair values as of the end of the relevant reporting period. The frequency of the revaluation studies depends on the change in the fair value of the tangible assets. In cases where the fair value of a revalued asset is considered to be significantly different from its carrying value, the revaluation study needs to be repeated, and this study is carried out for the entire class of assets with the revaluated asset as of the same date.

On the other hand, it is not necessary to repeat the revaluation studies every year for the tangible fixed assets whose fair value changes are insignificant.

In this context, as a result of the evaluations made by the Group management, the land and lands, buildings and surface improvements and machinery, facilities and devices are reflected in the financial statements at their fair values determined in the valuation studies carried out by an independent professional valuation company authorized by the CMB as of 31 December 2023.

Details of the methods and assumptions used within the scope of the valuation studies performed are as follows.

- In fair value calculations, the most effective and efficient use evaluation was made and the current usage purposes were determined as the most effective and efficient use, and the peer comparison method was used for lands and plots, and the cost approach method was used for underground and surface landscapes and buildings.
- In the peer comparison method, the existing market information was used, the prices were adjusted within the framework of the criteria that may affect the market value, considering the similar real estates that were recently put on the market, and the average m2 sales value for the plots subject to the report was determined. The peers found were compared according to criteria such as location, size, zoning status, physical characteristics, and real estate marketing firms were interviewed for an up-to-date evaluation of the real estate market, and the existing knowledge of an independent professional valuation company was used.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

- In the cost approach method, the value of the real estate is determined by adding the investment costs on the land to the land value after amortization (subtracting the depreciation after adding any interest or gain). In the calculation of the land value among the components discussed in the cost approach method, the equivalent comparison method explained above was used.
- Cost approach method was used in valuation of property, plant and equipment. Due to the fact that valuation is an integrated industrial plant valuation as a whole, in the light of market data to the extent that it is applicable in valuation of property, plant and equipment; It was built on active and operational values within the integrated plant and the property, plant and equipment in question were examined on a line basis.

The values that may occur during the realization of purchase/sale transactions may differ from these values.

e) *Deferred tax asset*

Deferred tax liability for all taxable temporary differences is accounted for when the deductible temporary differences, deferred tax assets through future taxable profits is probable to take advantage of this difference provided are recognized.

f) *Impairment of inventory*

In calculating impairment, the physical status and aging of inventories are reviewed taking into consideration the technical personnel's opinion; and provision is made for items assumed unserviceable. In determining the net realizable value of inventories, inventory price lists and average discount rates of the year are used and assumptions are made in relation to sales expenses to be incurred in the future.

2.2.1 Changes in significant accounting estimates and errors

The preparation of the consolidated financial statements in conformity with Turkish Accounting Standards requires management to make estimates and assumptions regarding the carrying amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual amounts may differ from the estimates. These estimates are reviewed periodically and reported in the statement of profit or loss in the periods in which they become known.

2.3 Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash, credit card receivables, banks and short term investments of short maturity (up to 3 months) and high liquidity which are easily convertible to specific amounts of cash and maturing in a maximum of 3 months.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present state and condition. The costs of inventories are determined by weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Biological Assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss. If fair value cannot be reliably measured, the asset is measured at cost less accumulated depreciation and impairment losses.

Breeding chickens, laying hens and broiler chickens are classified under biological assets in the consolidated financial statements. Laying and breeding chickens are amortized on the basis of their economic life according to the laying period. Since these biological assets do not have an active market, they are reflected in the consolidated financial statements after deducting the accumulated amortization and impairment losses, if any Broiler live chickens are recorded at the end of their useful life, directly at production cost, following slaughter periods.

Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Group that gives it significant influence over the Group; or
 - iii) has joint control over the Group;
- b) The party is an associate of the Group;
- c) The party is a joint venture in which the Group is a venture;
- d) The party is member of the key management personnel of the Group or its parent;
- e) The party is a close member of the family of any individual referred to in (a) or (d);
- f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

The party has a post-employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.

Tangible assets

All tangible assets are initially recognized at cost. Land, buildings and machinery-equipment are stated at fair value less depreciation after the fair value of land and buildings is determined by appraisal undertaken by professionally qualified valuation specialists. All other tangible assets are stated at cost less accumulated depreciation and provision for impairment, if any. When a tangible asset is sold, income after deduction of relevant cost and accumulated depreciation is stated in the statement of income and profit or loss. When a revalued asset is sold, the relevant revaluation funds are transferred to retained earnings.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The cost of a tangible asset includes the purchase price, import duties and non-refundable purchase taxes, and the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. Expenses incurred after the asset is started to be used, i.e., maintenance and repair expenditures are recognized in profit or loss in the period in which they are incurred. If the expenditures made increase an asset's economic usefulness in the future, they are added to the cost of the asset.

The increase in the carrying value of the tangible assets arising from revaluation are initially credited after deduction of deferred tax effect to the tangible assets value increase fund account under equity. The accumulated depreciation corresponding to the revaluation fund of the tangible assets accounted for by revaluation method is recognized as an expense in the relevant period.

The ranges of useful lives applied to the assets previous and current periods are as follows:

Buildings	15 - 50 years
Land Improvements	15 - 25 years
Plant, machinery and equipment	2 - 15 years
Motor vehicles	4 - 5 years
Furniture and fixtures	3 - 15 years
Leasehold improvements	5 - 15 years

Intangible assets

Intangible assets have finite useful lives and mainly comprise rights and IT software. These assets are carried at cost less accumulated amortization and impairment losses, if any. These assets are amortized on a straight-line basis over an average period of five years from the date of acquisition. Repair and maintenance costs of computer software programs are expensed as incurred.

Gains or losses on disposals of intangible assets or impairment losses on the indexed values of such assets are recognized in the related income and expense accounts. The scrap value of intangible assets is estimated to be not material. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Leases

At the inception date of the contract, the Group evaluates whether the contract is or contains a lease. If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease. To assess whether a contract provides the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Leases

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Share Capital

Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with TAS 12.

Taxes calculated on corporate earnings

Income tax expense comprises the total amount of current and deferred tax. Income tax is recognized in profit or loss, except when it relates to business combinations or items recognized directly in equity or other comprehensive income.

Current tax

In Turkey, Corporate tax is payable at a rate of 25% (31 December 2022: 23%) on the total income of the Group after adjusting for certain disallowable expenses and deducting certain exemptions and allowances.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS/IFRS purposes issued by POA and its statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TAS/IFRS and tax purposes.

Government grants

All government grants including the nonmonetary incentives that are carried at fair value are recognized in the consolidated financial statements provided that the Group fulfils the necessary requirements to receive such incentives.

The government grants related assets, recognized in financial statements as deferred income. In case of that government incentives are presented as deferred income, they are systematically and reasonably associated with in the consolidated profit or loss and other comprehensive income statement throughout the useful life of the asset.

Government assistance that is provided in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability are recognized as the deferred tax income.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Discontinued operations are significant parts of the Group that have been disposed of and whose activities and cash flows can be separated from those of the Group as a whole. The results of operations until the date on which the Group ceases to have control over the disposal group are presented in the consolidated statement of profit or loss in a separate line under the heading "discontinued operations". The consolidated statement of profit or loss for the prior period is restated on a comparative basis and the results of discontinued operations for the prior period are also classified as "discontinued operations".

Net profit/loss for the period from discontinued operations is presented in a separate line in the income statement as net profit/loss from discontinued operations.

Employee benefits

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. In accordance with TAS 19 Employee Benefits Standard ("TAS 19"), such payments are classified as defined retirement benefit plans. The retirement pay liability recognized in the balance sheet has been calculated based on the net present value of all employees' expected future salary amounts due to their retirement and reflected in the consolidated financial statements. All actuarial gains and losses are accounted for as other comprehensive income.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Provisions, contingent assets and liabilities

Provisions are recognized if, and only if, there is a present obligation (legal or constructive) which has arisen as a result of a past event, it is likely that the resources providing economic benefit to the company flow from the company due to such obligation, and the potential liability can be estimated reliably. If the effect of the time value of money becomes material, the provisions are stated at the expected future cash outflows discounted at the reporting date. Provisions are reviewed at each reporting date and adjustments are made so as to reflect the best estimates of the Group Management.

Contingent assets are subject to continuous evaluation in order to maintain correct recognition of relevant events. When the inflow of economic benefits is virtually certain, then the related contingent asset and the relevant income are recognized in the financial statements. When the inflow of economic benefits is probable, then the subject contingent asset is recognized in the notes to the consolidated financial statements.

Impairment on non financial assets

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Revenue

The Group recognizes revenue in accordance with IFRS 15 "Revenue from contracts with customers" standard when the goods or services is transferred to the customer and when performance obligation is fulfilled based on the following main principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time. However, all of the Group's sales of goods and services include a single performance obligation.

The Group recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations.
- Group can identify each party's rights regarding the goods or services to be transferred.
- Group can identify the payment terms for the goods or services to be transferred:
- The contract has commercial substance.
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

At the beginning of the contract, the Group evaluates the goods or services it has committed in the contract with the customer and defines each commitment to transfer to the customer as a separate performance obligation. The Group also determines at contract inception whether it has fulfilled each performance obligation over time or at a point in time.

When a third party is involved in to sales transaction in order to provide of goods or services to the customer, the Group determines that the nature of its commitment is performed as a principal or agent by the Group. It is principal if the group controls the specified goods or services before transferring those goods or services to the customer. In that case, when (or as long as) it fulfills its performance obligation, it includes the revenue in the consolidated financial statements equal to the gross amount of the price it expects to be entitled in return for the transferred goods or services. If the Group acts as an intermediary in the supply of goods or services for which a performance obligation has been determined by another party, it is in the position of an agent and does not reflect the revenue for the said performance obligation in the consolidated financial statements.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between when the entity 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. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Group's performance obligations consist of the sale of consumer products that it produces. The customer consumes the benefit obtained by the Group from the performance simultaneously. The sales transaction is recognized at the time of delivery of the manufactured products. The Group transfers control of the goods or services sold to the customer at the same time and the revenue is recognized when the performance obligation is fulfilled.

Dividend and interest income

Dividend income from equity investments is accounted for when shareholders are entitled to receive dividends (as long as it is economically beneficial and income can be measured reliably). Interest income from financial assets is recognized in the records as long as it is economically beneficial and the income can be reliably measured.

Finance income and expense

The Group's finance income include interest income and foreign currency gain on financial assets and liabilities (other than trade receivables and payables).

Finance expense comprises interest expense on borrowings, interest expense of long term provisions and foreign currency losses arising from financial assets and liabilities (excluding trade receivables and payables). Borrowing costs that are not directly attributable to acquisition, construction or production of qualifying assets are recognized in profit or loss.

The foreign currency gain or losses and discount income and expenses on trade receivables and trade payables are presented under other income/expense on operating activities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Foreign currency

The income and expenses of foreign operations are translated into TL at the exchange rates at the dates of the transactions. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate their carrying values

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the currency of the date on which the fair value was determined. Non-monetary items measured at historical cost in foreign currencies are translated from the date on which the transaction is made.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
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(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Exchange differences are recognized in profit or loss in the period in which they are incurred, except in the following cases:

- Exchange differences that are included in the cost of such assets that are treated as adjustment to interest costs on debts denominated in foreign currencies that relate to the assets being constructed for future use,
- Foreign exchange differences arising from transactions carried out to provide financial protection against risks arising from foreign currencies (accounting policies related to establishing financial protection against risks are explained below).

Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the net consolidated profit or loss and other comprehensive income for the period by the weighted average number of ordinary shares outstanding during the period.

Financial Instruments

Classification and measurement of financial assets and financial liabilities

Under TFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL. The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

Impairment of financial assets

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Under TFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date, and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2.4 New and revised standards and interpretations

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

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 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 IAS 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.
- **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.

Amendment to IAS 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.

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

- **Amendment to IAS 1 – Non-current 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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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations

- **Amendment to IFRS 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 IFRS 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 IAS 7 and IFRS 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 IAS 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.
- **IFRS S1, '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.
- **IFRS S2, '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.

2.5 Use of accounting estimates and assumptions

In preparing the consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from estimated amounts.

Estimates and related assumptions are reviewed on an ongoing basis. Changes to estimates are recognized prospectively

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3 CASH AND CASH EQUIVALENTS

As at 31 December 2023 and 2022, cash and cash equivalents comprised the following:

	31 December 2023	31 December 2022
Cash on hand	1,089,725	611,988
Banks	1,194,858,600	813,956,208
- <i>Time Deposits</i>	622,027,831	180,872,851
- <i>Demand Deposits</i>	572,830,769	633,083,357
Cash at blockage (*)	62,682,704	70,035,667
Total	1,258,631,029	884,603,863

(*) As at 31 December 2023 TL 62,682,704 of cash blockage amount mainly comprised of the credit card receivables with a maturity less than 3 months (2022: TL 70,035,667).

Cash and cash equivalents included in the statement of cash flows for the period ended 31 December 2023 and 2022 are comprised the followings:

	31 December 2023	31 December 2022
Cash and cash equivalents	1,258,631,029	884,603,859
Less: Blockage	(62,682,704)	(70,035,663)
	1,195,948,325	814,568,196

As at 31 December 2023 and 2022, time and demand deposits comprised the following currencies;

	Time Deposits		Demand Deposits	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
USD	177,635,678	46,260,816	513,902,045	205,829,736
EUR	98,492,153	-	3,988,399	297,285,623
TL	345,900,000	134,612,035	54,940,325	129,967,998
	622,027,831	180,872,851	572,830,769	633,083,357

At 31 December 2023 and 31 December 2022, time deposits comprised the following:

Currency	Interest rate	Maturity	Original Balance	TL Balance
TL	42.83%	26 January 2024	345,900,000	345,900,000
TL	3.13%	12 January 2024	3,023,652	98,492,153
USD	5.00%	21 January 2024	6,034,190	177,635,678
31 December 2023				622,027,831

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3 CASH AND CASH EQUIVALENTS (Continued)

Currency	Interest rate	Maturity	Original Balance	TL Balance
TL	15%	2 January 2023	113,858,087	113,858,087
TL	14%	2 January 2023	18,619,340	18,619,340
TL	11%	13 January 2023	2,134,623	2,134,623
USD	0.40%	2 January 2023	2,473,983	46,260,801
31 December 2022				180,872,851

Interest rate risk and sensitivity analysis of The Group's financial assets and liabilities are indicated in Note 35.

4 FINANCIAL LIABILITIES

As at 31 December 2023 and 31 December 2022, financial borrowings comprised the following:

	31 December 2023	31 December 2022
Short term borrowings	1,225,450,197	2,271,230,057
Short term portions of long term loans	46,148,577	574,689,970
Other financial liabilities (*)	1,282,090	82,239,189
Lease liabilities	7,444,154	22,413,447
Short term financial borrowings	1,280,325,018	2,950,572,663
Long term borrowings	69,343,256	210,914,561
Lease liabilities	11,211,289	21,115,615
Long term financial borrowings	80,554,545	232,030,176
Total financial borrowings	1,360,879,563	3,182,602,839

The Group has no pledges or mortgages on its financial liabilities (31 December 2022: None).

(*) Other financial liabilities consist of financial liabilities within the scope of supplier financing system provided by banks to the Group.

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4 FINANCIAL LIABILITIES (Continued)

The Group's loans have fixed interest rates.

	31 December 2023	31 December 2022
Less than one year	1,271,598,774	2,845,920,027
Between one and two years	31,285,136	79,645,477
Between two and three years	26,425,636	62,592,020
Between three and four years	11,632,484	48,715,916
Between four and five years	-	19,961,148
	1,340,942,030	3,056,834,588

As of 31 December 2023, the details of lease liabilities are as follows:

	31 December 2023	31 December 2022
Less than one year	7,444,154	22,413,446
Between one and two years	11,211,289	14,121,870
Three years and above	-	6,993,746
	18,655,443	43,529,062

As of 31 December 2023, the details of financial liabilities are as follows:

	31 December 2023		
	Currency	TL Amount	Int. Rate %
Short Term Bank Loans	TL	1,225,450,197	14.70% - 32.81%
Short Term Portions of Long Term Bank Loans	TL	46,148,577	28.38% - 37.40%
Total		1,271,598,774	
Long Term Bank Loans	TL	69,343,256	14.70% - 32.81%
Total		1,340,942,030	

As of 31 December 2022, the details of financial liabilities are as follows:

	31 December 2022		
	Currency	TL Amount	Int. Rate %
Short Term Bank Loans	TL	2,271,230,057	12.00% - 33.00%
Short Term Portions of Long Term Bank Loans	TL	574,689,970	9.62% - 18.25%
Total		2,845,920,027	
Long Term Bank Loans	TL	210,914,561	9.62% - 18.25%
Total		3,056,834,588	

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4 FINANCIAL LIABILITIES (Continued)

As at 31 December 2023 and 31 December 2022, cash flows from financial operations comprised the followings:

	1 January 2022	Cash flows	Non-cash changes acquisition (*)	Monetary (Gain)/Loss	31 December 2023
Financial liabilities	3,056,834,587	(724,156,614)	66,660,640	(1,058,396,583)	1.340.942.030
Other financial liabilities	82,239,190	(62,175,593)	-	(18,781,507)	1.282.090
	3,139,073,777	(786,332,207)	66,660,640	(1,077,178,090)	1.342.224.120

	1 January 2022	Cash flows	Non-cash changes acquisition (*)	Monetary (Gain)/Loss	31 December 2022
Financial liabilities	2,941,448,243	1,135,761,659	27,574,528	(1,047,949,843)	3.056.834.587
Other financial liabilities	40,633,964	52,831,093	-	(11,225,867)	82.239.190
	2,982,082,207	1,188,592,752	27,574,528	(1,059,175,710)	3.139.073.777

(*) As at 31 December non-cash transactions consist of interest accrued.

5 RELATED PARTIES

For the purpose of this consolidated report, shareholders, important management personnel and members of the board of directors, their families and companies controlled by or affiliated to them, as well as associates and jointly controlled partnerships are considered as related parties. Various transactions were made with related parties during the normal operation of the enterprise. A significant part of the transactions with related parties have been eliminated and the remaining transactions with related parties after elimination are not material for the Group. These transactions were generally carried out during the normal operation of the business in accordance with market conditions.

As of 31 December 2023, there are no guarantees received/given from related parties.

As of 31 December 2023, there are no receivables/payables from top management.

For the year ended 31 December 2023, shareholders and the executive members of the Group's management received aggregate compensation in amount of TL 32,556,538 (31 December 2022: TL 29,499,097).

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5 RELATED PARTIES (Continued)

As at 31 December 2023 and 2022, due from related parties and due to related parties are as follows:

Due from related parties:

	31 December 2023	31 December 2022
BRF Global GMBH	21,510,343	18,674,000
Al Wafi	10,521,889	15,035,288
Total	32,032,232	33,709,288

Trade receivables from related parties arise from the sales of finished goods and raw materials.

Due to related parties:

	31 December 2023	31 December 2022
TBQ FOODS GMBH	18,597,510	-
BRF Foods GMBH	-	1,327,271
Federal Foods LLC	-	27,922
Al Wafi	-	16,700
Total	18,597,510	1,371,893

Trade payables to related parties arise from order advances.

Other payables:

	31 December 2023	31 December 2022
TBQ FOODS GMBH	195,125,215	-
BRF S.A.	2,120,946	15,978,712
BRF Global GMBH	2,180,568	1,591,926
Federal Foods Qatar	181,526	522,001
Al Wafi	461,466	486,046
Total	200,069,721	18,578,685

Other payables to related parties arise from expense reflection.

Sales to related parties:

	31 December 2023	31 December 2022
BRF Global GMBH	30,901,656	1,027,750,808
Al Wafi	2,028,388	27,382,010
Federal Foods LLC	1,158	-
BRF Foods GMBH	-	52,883,407
Total	32,931,203	1,158,304,635

Purchase from related parties:

	31 December 2023	31 December 2022
BRF S.A.	520,492	-
BRF Global GMBH	162,186	-
Federal Foods LLC	13,329	-
Al Wafi	-	21,113,529
Total	696,007	21,113,529

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6 TRADE RECEIVABLE AND PAYABLE

Trade receivables

Trade receivables of Group as of 31 December 2023 ve 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Trade receivables from other parties	1,489,093,053	1,259,277,477
Trade receivables from related parties (Note 5)	32,032,232	33,709,288
Total	1,521,125,285	1,292,986,765

Details of trade receivables as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Trade receivables	1,538,066,399	1,284,310,271
Trade receivables from related parties (Note 5)	32,032,232	33,709,288
Provisions for doubtful receivables	(8,629,162)	(13,384,760)
Rediscount expense	(40,344,184)	(11,648,032)
Total	1,521,125,285	1,292,986,767

Provisions for doubtful receivables as at 1 January - 31 December 2023 and movements in 2022 were as follows:

	2023	2022
Beginning balance	(13,384,760)	(24,837,687)
Increase during the period	(4,429,464)	(1,308,043)
Reversal of bad debt provision	3,782,491	2,902,369
Monetary (Gain)/Loss	5,402,571	9,858,600
Ending Balance	(8,629,162)	(13,384,760)

The Group's exposure to currency and credit risk and impairment for current trade receivables are disclosed in Note 35.

As of 31 December 2023 and 31 December 2022, the nature and amount of commitments obtained against notes and trade receivables are as follows:

	31 December 2023	31 December 2022
Letters of guarantee	433,498,800	464,540,376
Mortgages	-	-
Total	433,498,800	464,540,376

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6 TRADE RECEIVABLE AND PAYABLE (Continued)

Trade payables

Trade payables of the Group as of 31 December 2023 ve 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Trade payables to other parties	3,378,108,911	3,854,528,258
Trade payables to related parties	18,597,510	1,371,893
Total	3,396,706,421	3,855,900,151

At 31 December 2023 and 31 December 2022, trade payables comprised the following:

	31 December 2023	31 December 2022
Trade payables	3,412,091,855	3,868,175,915
Trade payables to related parties (Note 5)	18,597,510	1,371,893
Less: discount income	(33,982,944)	(13,647,657)
Total	3,396,706,421	3,855,900,151

The Group's exposure to foreign currency and liquidity risks for short term trade payables are disclosed in Note 35.

As of 31 December 2023, the average maturity of trade receivables is 32 days (31 December 2022: 29 days) and the average maturity of trade payables is 101 days. (31 December 2022: 96 days) As of 31 December 2022, the group has no long-term trade debts (31 December 2022: None).

7 OTHER RECEIVABLES AND PAYABLES

Current assets

Other receivables of Group as of 31 December 2023 ve 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Other receivables from other parties	111,858,333	19,254,800
Total	111,858,333	19,254,800

Non-current other receivables

Non-current other receivables of Group as of 31 December 2023 ve 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Non-current other receivables from other parties	379,352	207,337
Total	379,352	207,337

The Group's exposure to foreign currency and credit risks for long term other receivables are disclosed in Note 34.

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7 OTHER RECEIVABLES AND PAYABLES (Continued)

Current other payables

As at 31 December 2023 and 31 December 2022 current other payables comprised the followings:

	31 December 2023	31 December 2022
Other short-term payables from related parties (Note 5)	200,069,721	18,578,685
Taxes payable	480,154	2,617,543
Other	2,573,767	476,255
Total	203,123,642	21,672,483

The Group's exposure to foreign currency and credit risks for short term other payables are disclosed in Note 35.

Non-current other payables

As of 31 December 2023, the Group has no other payables to unrelated parties.
(31 December 2022: 164,773. TL)

8 INVENTORIES

At 31 December 2023 and 31 December 2022, inventories comprised the following:

	31 December 2023	31 December 2022
Finished goods	251,738,663	390,555,765
Semi-finished goods	254,264,761	260,135,366
Raw materials and auxiliary items	796,291,339	1,137,402,461
Goods in transit	3,689,938	8,457,339
Provision for impairment	(30,447,211)	(33,990,427)
Total	1,275,537,490	1,762,560,504

Movements of allowance for impairment on inventories for the period ended 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Balance as at 1 January	33,990,427	74,637,868
(Reversal)/provision for the period, net	(3,543,216)	(40,647,441)
Balance as at 31 December	30,447,211	33,990,427

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9 BIOLOGICAL ASSETS

Breeder chickens those have useful life of 1 year, the calves that have useful life less than 1 year, broiler daily chickens, broiler turkeys and breeder pullets are classified as biological assets and calves as of 31 December 2023 and 2022

Movements of biological assets at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Broiler daily chickens	743,021,865	845,155,795
Breeder chickens	232,833,613	372,317,444
Breeder pullets	193,846,657	164,221,196
Broiler turkeys	-	31,265,428
Total	1,169,702,135	1,412,959,863

Movements of broiler daily chickens at 31 December 2023 and 31 December 2022 are as follows:

Broiler daily chickens	31 December 2023	31 December 2022
Beginning balance	845,155,795	747,243,015
Additions	1,716,584,081	1,647,555,155
Effect of physical changes (*)	10,911,845,615	12,592,620,035
Disposal (**)	(12,730,563,626)	(14,142,262,410)
Ending balance	743,021,865	845,155,795

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs.

(**) The broiler chicken sent to the slaughterhouse for slaughter.

Movements of breeder chickens at 31 December 2023 as follows:

Breeder Chickens		31 December 2023	
Charge for the period	Cost	Accumulated depreciation	Net carrying amount
1 January 2023	496,689,311	(124,371,867)	372,317,444
Additions	-	(862,833,254)	(862,833,254)
Transfer from breeder pullet	723,349,423	-	723,349,423
Disposals	(766,030,677)	766,030,677	-
31 December 2023	454,008,057	(221,174,444)	232,833,613

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9 BIOLOGICAL ASSETS

Movements of breeder chickens at 31 December 2022 as follows:

Breeder Chickens	31 December 2022		
Charge for the period	Cost	Accumulated depreciation	Net carrying amount
1 January 2022	320,715,182	(76,910,344)	243,804,839
Additions	-	(457,126,120)	(457,126,120)
Transfer from breeder pullet	585,638,726	-	585,638,726
Disposals	(409,664,597)	409,664,597	-
31 December 2022	496,689,311	(124,371,867)	372,317,444

As at 31 December 2022, total insurance on biological assets is TL 5,348,168 (31 December 2022: TL 8,812,333).

Movements of breeder pullets at 31 December 2023 and 31 December 2022 are as follows:

Breeder Pullet	31 December 2023	31 December 2022
Beginning balance	164,221,196	135,071,439
Additions	264,326,436	282,008,668
Effect of physical changes (*)	488,648,448	332,779,815
Transfers to breeder chickens	(723,349,423)	(585,638,726)
Ending balance	193,846,657	164,221,196

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs

Movements of broiler turkey at 31 December 2023 and 31 December 2022 are as follows:

Broiler turkey	31 December 2023	31 December 2022
Beginning balance	31,265,428	88,483,844
Additions	-	98,220,972
Effect of physical changes (*)	37,714,816	549,973,508
Disposal (**)	(68,980,245)	(705,412,895)
Ending balance	-	31,265,428

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs.

(**) The broiler turkey sent to the slaughterhouse for slaughter.

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10 PREPAID EXPENSES

At 31 December 2023 and 31 December 2022, current prepaid expenses comprised the following:

	31 December 2023	31 December 2022
Advances given to breeders	64,395,675	87,076,567
Advances given to suppliers	52,761,122	193,686,610
Prepaid expenses for future months	23,464,980	43,621,055
Advances given to personnel	831,525	842,730
Total	141,453,302	325,226,962

At 31 December 2023 and 31 December 2022, non current prepaid expenses comprised the following:

	31 December 2023	31 December 2022
Advances given to suppliers	13,223,700	160,820,036
Advances given to fixed assets	1,239,462	296,539
Total	14,463,162	161,116,575

11 DEFERRED REVENUE

Current deferred revenue

	31 December 2023	31 December 2022
Advances received for orders	61,047,406	28,545,201
Income for future months	-	5,158,851
Total	61,047,406	33,704,052

12 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	Currency	31 December 2023		31 December 2022	
		Amount of Foreign Currency	Amount of TL	Amount of Foreign Currency	Amount of TL
A. CPM given in the name of own legal Entity	EURO	-	-	-	-
B. CPM given in favor of full consolidated Subsidiaries	TL	-	433,498,800	-	464,540,376
C. CPM given to guarantee the debts of third parties to continue their operations	TL	-	-	-	-
D. Other CPM		-	-	-	-
Total		-	433,498,800	-	464,540,376

As at 31 December 2023, the ratio of other GPM's given by the Group to the Group's equity is 9.8% (31 December 2022: 11.6%).

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13 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 31 December 2023 are as follows:

	1 January 2023	Additions	Disposals (-)	Transfers	31 December 2023
Cost					
Land, Building and Land Improvements	1,355,349,467	-	(381,572)	317,324,028	1,672,291,923
Machinery, Plant and Equipment	2,163,616,275	-	(143,881,142)	453,347,460	2,473,082,593
Motor Vehicles	6,181,800	-	(142,469)	-	6,039,331
Furniture and Fixture	172,639,188	-	(16,503,707)	135,372,527	291,508,008
Construction in Progress (**)	738,010,804	267,467,386	-	(955,193,261)	50,284,929
Leasehold Improvements	293,423,637	-	(4,652,439)	12,642,088	301,413,288
Total	4,729,221,171	267,467,386	(165,561,328)	(36,507,157)	4,794,620,072
Accumulated Depreciation					
Land, Building and Land Improvements	-	(26,882,533)	7,477	-	(26,875,056)
Machinery, Plant and Equipment	-	(210,416,649)	11,987,427	-	(198,429,222)
Motor Vehicles	(4,543,798)	(881,418)	75,024	-	(5,350,192)
Furniture and Fixture	(47,340,787)	(17,597,553)	6,122,850	-	(58,815,490)
Leasehold Improvements	(151,971,559)	(52,984,177)	4,606,996	-	(200,348,740)
Total	(203,856,144)	(308,762,330)	22,799,774	-	(489,818,700)
Net Book Value	4,525,365,027				4,304,801,372

As at 31 December 2023 there are no mortgage or pledge on property, plant and equipment (31 December 2022: None.).

As at 31 December 2023, property, plant and equipment are insured against the earthquake, fire, flood and similar disasters amounting to TL 4,055,112,948 (31 December 2022: TL 6,681,727,957).

Depreciation and amortization expenses of tangible fixed assets, intangible assets, right-of-use assets and biological assets amounting to TL 1,264,994,480, TL 1.102,818,559 in cost of sales (31 December 2022: TL 667,758,229), TL 1,102,818,559 in general administrative expenses (31 December 2022: TL 667,758,229), TL 145,100,263 was recognized in sales, marketing and distribution expenses (31 December 2022: TL 25,439,274).

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13 PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements of tangible assets at 31 December 2022 are as follows:

	1 January 2022	Additions	Disposals (-)	Transfers	Accumulated Depreciation Before Valuation	Revaluation Effect	31 December 2022
Cost							
Land, Building and Land Improvements	1,151,112,461	-	-	165,506,236	(43,956,643)	82,687,414	1,355,349,467
Machinery, Plant and Equipment	2,249,654,811	-	-	333,721,280	(523,988,336)	104,228,520	2,163,616,275
Motor Vehicles	6,313,629	-	(131,828)	-	-	-	6,181,800
Furniture and Fixture	168,410,246	-	(183,204)	4,412,146	-	-	172,639,188
Construction in Progress (**)	341,045,094	1,066,369,101	-	(669,403,391)	-	-	738,010,804
Leasehold Improvements	271,722,651	-	(12,567,356)	34,268,341	-	-	293,423,637
Total	4,188,258,892	1,066,369,101	(12,882,388)	(131,495,389)	(567,944,979)	186,915,934	4,729,221,171
Accumulated Depreciation							
Land, Building and Land Improvements	(28,382,692)	(15,573,951)	-	-	43,956,643	-	-
Machinery, Plant and Equipment	(343,578,866)	(180,409,470)	-	-	523,988,336	-	-
Motor Vehicles	(3,747,000)	(898,808)	102,010	-	-	-	(4,543,798)
Furniture and Fixture	(36,043,733)	(11,353,899)	56,845	-	-	-	(47,340,787)
Leasehold Improvements	(111,018,595)	(53,520,320)	12,567,356	-	-	-	(151,971,559)
Total	(522,770,886)	(261,756,448)	12,726,211	-	567,944,979	-	(203,856,144)
Net Book Value	3,665,488,006						4,525,365,027

(**) Construction in progress consists of ERP system transformation investments initiated by the Group in 2022 and modernization investments in ovine fattening and slaughterhouse.

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14 INTANGIBLE ASSETS

For the period ended 31 December 2023, the movement of intangible assets are as follows:

Cost	1 January 2023	Additions	Transfers	Disposals (-)	31 December 2023
Software	177,139,854	-	36,507,157	-	213,647,011
Licences	12,442,575	-	-	(11,089)	12,431,486
Total	189,582,429	-	36,507,157	(11,089)	226,078,497
Accumulated Amortization					
Software	(76,734,742)	(56,309,333)	-	-	(133,044,075)
Licences	(8,546,289)	(338,360)	-	3,264	(8,881,385)
Total	(85,281,031)	(56,647,693)	-	3,264	(141,925,456)
Net Book Value	104,301,398				84,153,937

For the period ended 31 December 2022, the movement of intangible assets are as follows:

Cost	1 January 2022	Additions	Transfers	Disposals (-)	31 December 2022
Software	45,644,464	-	131,495,390	-	177,139,854
Licences	12,442,575	-	-	-	12,442,575
Total	58,087,039	-	131,495,390	-	189,582,429
Accumulated Amortization					
Software	(38,783,122)	(37,951,620)	-	-	(76,734,742)
Licences	(8,207,868)	(338,421)	-	-	(8,546,289)
Total	(46,990,990)	(38,290,041)	-	-	(85,281,031)
Net Book Value	11,096,049				104,301,398

For the years ended 31 December 2023 and 2022 amortization expenses has been recognized under cost of sales, general administrative expense, selling and marketing expense and research and development expense.

For the year ended 31 December 2023 the Group does not have any intangible assets that are created within the Group (31 December 2022: None.).

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15 RIGHT OF USE ASSETS

For the period ended 31 December 2023, the movement of right of use assets are as follows:

Cost	1 January 2023	Additions	Disposals (-)	31 December 2023
Motor Vehicles	69,004,893	-	1,407,791	70,412,684
Warehouses	57,771,125	-	250,968	58,022,093
Land, Building and Land Improvements	16,241,563	-	-	16,241,563
Binalar	100,917,349	7,402,698	-	108,320,047
Toplam	243,934,930	7,402,698	1,658,759	252,996,387
Accumulated Amortization				
Motor Vehicles	(42,205,942)	(11,397,563)	(938,527)	(54,542,032)
Warehouses	(18,121,632)	(6,761,339)	-	(24,882,971)
Land, Building and Land Improvements	(7,150,766)	(1,388,478)	-	(8,539,244)
Binalar	(76,405,843)	(17,203,823)	-	(93,609,666)
Total	(143,884,183)	(36,751,203)	(938,527)	(181,573,913)
Net Book Value	100,050,747			71,422,474

For the period ended 31 December 2022, the movement of right of use assets are as follows:

Cost	1 January 2022	Additions	Disposals (-)	31 December 2022
Motor Vehicles	69,321,448	-	(316,555)	69,004,893
Warehouses	59,338,155	-	(1,567,030)	57,771,125
Land, Building and Land Improvements	19,414,518	-	(3,172,955)	16,241,563
Binalar	111,658,070	-	(10,740,721)	100,917,349
Total	259,732,191	-	(15,797,261)	243,934,930
Accumulated Amortization				
Motor Vehicles	(21,283,924)	(21,238,573)	316,555	(42,205,942)
Warehouses	(12,696,945)	(6,991,717)	1,567,030	(18,121,632)
Land, Building and Land Improvements	(7,827,545)	(2,496,176)	3,172,955	(7,150,766)
Binalar	(64,591,792)	(22,554,772)	10,740,721	(76,405,843)
Total	(106,400,206)	(53,281,238)	15,797,261	(143,884,183)
Net Book Value	153,331,985			100,050,747

16 GOODWILL

At 31 December 2023 and 31 December 2022, The Group has no goodwill.

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17 GOVERNMENT GRANTS

On 26 October 2009, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Bandırma Asfaltı 8.Km Bandırma. Within the scope of this investment incentive certificate, the slaughter capacity of the slaughterhouse is going to increase from 200,000 units/day to 270,000 units/day. As at 31 December 2017, total amount of investments of Banvit through those investment incentive certificates were realized as TL 9,870,015 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 3 years and 60% corporate tax discount and 30% contribution rate. Banvit has applied for the investment incentive certificates as of December 20, 2013 due to completion of the investment expenses.

Furthermore, on 2 December 2009, Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the cattle stock farming and slaughterhouse facilities. As at 31 December 2017, total amount of investments of Banvit through those investment incentive certificates were realized as TL 4,104,476 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 3 years, and 40% corporate tax discount and 15% contribution rate. Banvit has completed investment expenditures and has done the investment completion visa as of December 28, 2015.

As described at the related articles of the Announcement Regarding to the Applications of Arbitrations Concerning Government Grants at Investments (Announcement No: 2009/1) and the special terms on the investment incentive certificates, for acceptance of the inception of the investment, the Banvit have to invest at least 10% of the total investment amount defined at the certificate and have to apply to the Undersecretariat of Treasury and register the investment amount to the investment incentive certificate, The Banvit has realized that 10% special terms for the chicken slaughterhouse addressed at Bandırma Asfaltı 8.Km Bandırma. At the 12th article of the announcement, it is specified that the inception date of the investment incentive certificates is the receiving date of completion visa. Banvit has fulfilled this special condition in the incentive document received for the capacity expansion and modernization of the Chicken Slaughterhouse at Bandırma.

Under article 32/A of the Corporation Tax law, it was stated that profits earned from the investments tied to an incentive certificate by the Under Secretariat of Treasury shall be subjected to corporation tax based on discounted values until their value reaches the amount of contribution made to the investment starting with the account period in which the investment was started to be operated in whole or in part. Under article 12 of the communiqué, the date of commencement of operation for other investments has been indicated as the date on which completion visa was granted for the incentive certificate.

Besides, the Banvit has taken over the investment incentive certificates of slaughterhouse and hatchery in Elazığ which were acquired on 17 July 2012. Total amount of investments of Banvit through those investment incentive certificates were realized as TL 21,740,871 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 6 years, and 70% corporate tax discount and 30% contribution rate. As of 4 December 2017 investment completion visa is realized.

On 28 June 2010, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the feed factory addressed at Elazığ. Within the investment to be made related this document, the combined feed production weight of 26,325,000 kg/year will be 27,179,550 kg/year and breeding chicken breeders will be 18,990/year. Total amount of investments of Banvit through those investment incentive certificates were realized as TL 4,191,860 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 7 years and 90% corporate tax discount and 60% contribution rate. Banvit has applied for the investment incentive certificates as of 21 January 2015 due to completion of the investment expenses.

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18 GOVERNMENT GRANTS (Continued)

On 27 January 2015, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Bandırma Asfaltı 8.Km Bandırma. Within the scope of this investment incentive certificate, the slaughter capacity of the slaughterhouse is going to increase from 53,280,000 kg/year to 79,920,000 kg/year. The investment incentive certificate is amounting to TL 19,900,000 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 5 years, 60% corporate tax discount and 25% contribution rate. As at 31 December 2018, total amount of investments of Banvit through those investment incentive certificates were realized as TL 23,378,563. As of 3 January 2019 investment completion visa is realized.

On 31 January 2019, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Hilalkent Mah. Baskil Yolu 6. Km Elazığ. The investment incentive certificate is amounting to TL 19,538,812 and provides VAT exception, customs duty exemption, 70% corporate tax discount and 30% contribution rate. As at 31 December 2023, total amount of investments of Banvit through those investment incentive certificates were realized as TL 21,025,470.

On 25 January 2020, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Anadolu Sanayi Bölgesi Kemalpaşa, İzmir. The investment incentive certificate is amounting to TL 32,101,985 and provides VAT exception, customs duty exemption, 50% corporate tax discount and 15% contribution rate. As at 31 December 2023, total amount of investments of Banvit through those investment incentive certificates were realized as TL 33,246,798.

As of 31 December 2023, the amount of investment expenditures made within the scope of these incentive documents and the incentive amounts awarded are as follows:

Investment Incentive Place	Contribution Rate %	31 December 2023		31 December 2022	
		Realized Investment	Investment Incentive	Realized Investment	Investment Incentive
Bandırma					
Slaughterhouse	30	9,332,933	9,624,558	9,332,933	4,558,031
Bandırma Bovine	15	3,930,779	1,920,209	3,930,779	928,943
Elazığ Feed/Breeding	60	4,191,860	9,392,215	4,191,860	4,191,860
Elazığ Slaughterhouse	30	20,801,558	13,216,870	20,801,558	9,776,601
Bandırma Chicken					
Slaughterhouse	20	23,378,563	16,027,399	23,378,563	7,691,946
İzmir Kemalpaşa	15	33,246,798	-	33,246,798	-
Elazığ Slaughterhouse	30	-	-	21,025,470	1,268,530
		94,882,491	50,181,251	115,907,961	28,415,911

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18 PROVISIONS

At 31 December 2023 ve 31 December 2022, short term provisions comprised the following:

	31 December 2023	31 December 2022
Short term provisions for employee benefits (Note 19)	141,513,137	75,296,452
Other short term provisions	20,203,518	25,280,473
Short term provisions	161,716,655	100,576,925

At 31 December 2023 and 31 December 2022, other short term provisions comprised the following:

	31 December 2023	31 December 2022
Provisions for lawsuits	19,332,465	24,535,386
Bonus provision for sales personnel	871,053	705,457
Other provisions	-	39,630
Total	20,203,518	25,280,473

Movements of other short term provisions at 31 December 2023 are as follows:

	1 January 2023	Additions	Payment/ Reversal	Monetary (Gain)/Loss	31 December 2023
Provisions for lawsuit (*)	24,535,386	10,307,985	(4,628,469)	(10,882,437)	19,332,465
Bonus provision for sales personnel	705,457	4,605,820	(4,039,518)	(400,706)	871,053
Other provisions	39,630	-	(30,751)	(8,879)	-
	25,280,473	14,913,805	(8,698,738)	(11,292,022)	20,203,518

Movements of other short term provisions at 31 December 2022 are as follows:

	1 January 2022	Additions	Payment/ Reversal	Monetary (Gain)/Loss	31 December 2022
Provisions for lawsuit (*)	20,488,162	11,083,016	-	(7,035,792)	24,535,386
Bonus provision for sales personnel	420,922	648,141	(235,420)	(128,186)	705,457
Other provisions	26,677	39,522	(18,033)	(8,536)	39,630
	20,935,761	11,770,679	(253,453)	(7,172,514)	25,280,473

(*) As of 31 December 2023, the majority of the provision for lawsuits consists of ongoing labor lawsuits. The Group makes full provision for these cases as of the balance sheet date.

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19 PROVISIONS FOR EMPLOYEE BENEFITS

(a) Short term provisions for employee benefits

	31 December 2023	31 December 2022
Bonus Provision	30,072,649	49,551,581
Performance bonus provision	71,256,587	-
Provision for unused vacation pay liability	40,183,901	25,744,871
	141,513,137	75,296,452

The movement of short term provisions for employee benefits for the years ended 31 December 2023 and 31 December 2022 are as follows:

	1 January 2023	Additions	Reversal/ Payment	Monetary (Gain)/Loss	31 December 2023
Premium Provision	49,551,581	38,450,364	(38,450,364)	(19,478,932)	30,072,649
Provision for unused vacation pay liability	25,744,871	31,401,279	-	(16,962,249)	40,183,901
Performance bonus	-	91,107,429	-	(19,850,842)	71,256,587
	75,296,452	160,959,073	(38,450,364)	(56,292,023)	141,513,137

	1 January 2022	Additions	Reversal/ Payment	Monetary (Gain)/Loss	31 December 2022
Premium Provision	59,057,065	38,450,364	(27,897,007)	(20,058,841)	49,551,581
Provision for unused vacation pay liability	23,557,063	8,849,418	-	(6,661,610)	25,744,871
Performance bonus	39,611,022	-	(18,711,207)	(20,899,815)	-
	122,225,150	47,299,782	(46,608,214)	(47,620,266)	75,296,452

(a) Long term provisions for employee benefits

	31 December 2023	31 December 2022
Provision for termination indemnity (*)	742,448,985	466,633,393
	742,448,985	466,633,393

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19 PROVISIONS FOR EMPLOYEE BENEFITS (Continued)

(a) Short term provisions for employee benefits (Continued)

The movement of retirement pay provision for the years ended 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Opening balance	466,633,393	217,307,964
Cost of services	89,022,223	26,258,972
Interest cost	57,718,519	29,273,693
Payment made during the period	(243,401,245)	(27,603,960)
Monetary Gain/Loss	(212,357,153)	(151,827,372)
Actuarial loss	584,833,247	373,224,096
Balance as at 31 December (*)	742,448,985	466,633,393

(*) According to the legislation in Turkey, employees who completed one working year in the Group, are dismissed without any meaningful reason, quit due to the military service, pass away, completed 25 working years for male, 20 working years for female and are at retirement date (58 years old for female, 60 years old for male) should be paid for termination benefit. Due to the amendment of the legislation on 8 September 1999, there are certain transitional liabilities regarding duration of service depending on retirement.

As at 31 December 2023, these payments calculate on 30 days salary according to at the most TL 23,489.83 (2022: TL 19,982.83) at the rate of retirement or resignation day per the year worked. Provision of termination benefit is calculated on the current period and reflected to financial tables. The provision is calculated on estimating the present value of the possible liability in the future caused by retirements of employees of the Group. This calculation is made according to the ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TRFS require actuarial valuation methods to be developed to entities' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel 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 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 provisions at the respective reporting period dates have been calculated assuming an annual inflation rate of 25.07% and a interest rate of 25.07%, resulting in a real discount rate of approximately 21.88% (31 December 2022: an annual inflation rate of 13.66%, an interest rate of 13.66%, a real discount rate of approximately 10.31%).

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20 PAYABLES RELATED TO EMPLOYEE BENEFITS

As at 31 December 2023 and 2022 payables related to employee benefits comprised the followings:

	31 December 2023	31 December 2022
Social security premiums payable	70,092,592	35,810,398
Payables to personnel	75,095,783	22,149,719
	145,188,375	57,960,117

21 OTHER ASSETS AND LIABILITIES

(a) Other current assets

As at 31 December 2023 and 2022 other current assets comprised the followings:

	31 December 2023	31 December 2022
Deferred Value Added Taxes ("VAT")	792,765,117	1,038,915,172
Export Incentive (*)	-	50,896,267
Other	1,250,450	133,681
	794,015,567	1,089,945,120

(*) The related amount comprised of the supports given by the Ministry of Economy for the branding support program.

As of 31 December 2023 and 2022, other non-current assets are as follows:

	31 December 2023	31 December 2022
Deferred Value Added Taxes ("VAT")	-	257,220,445
	-	257,220,445

22 ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Asset classified as held for sale

As of 31 December 2023, according to the valuation report received for the fixed assets transferred by the Group management, there is no impairment in these fixed assets (As of 31 December 2022 there is no impairment.).

	31 December 2023	31 December 2022
Beginning	128,246,597	165,379,410
Disposals(-)	(88,461,580)	(37,132,813)
Total	39,785,017	128,246,597

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22 ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

As of 31 December 2023, some of the asset groups consisting of the building, land and machinery and equipment have not been sold. As of 31 December 2023, assets held for sale continue to be accounted in assets, since there is no change in the sales plans of the Group Management and the sales are likely to occur in a short time.

a) *Discontinued operations*

i) *Discontinuation of turkey activities*

As part of the Group's efforts to increase efficiency and profitability, it has been determined that the turkey business unit does not make a significant contribution to the profitability; At the meeting of the Board of Directors dated 28 February 2023, the Group decided to terminate the turkey business operations in order to use its resources and workforce more efficiently and increase profitability. With this decision, operations related to Turkey production have been classified as "Discontinued operations".

ii) *Liquidation of the subsidiary*

Since Banvit ME FZE, a 100% subsidiary of Nutrinvestments BV, did not provide any benefit from continuing of its activities and it was already in an inactive state, it was decided to start the liquidation process at the general assembly meeting dated 29 March 2022, and the liquidation process was completed on 21 March 2023.

There are monetary debts and receivables arising from transactions between Banvit ME FZE and Group Companies, which are part of the net investment of the Group's current overseas activities. Exchange rate differences arising from these transactions have been accounted for in the consolidated financial statements in equity and foreign exchange translation differences. With the liquidation of the subsidiary company abroad, the foreign Exchange translation difference and the debt owed to the liquidated company have been presented as part of the discontinued operations period of profit/(loss).

As of 31 December 2023 and 2022, the details of the Group's profit/(loss) for the period classified as discontinued operation are as follows.

The details of income from investing activities realized as a result of the transaction are presented below:

	31 December 2023	31 December 2022
Revenue	80,550,659	740,464,040
Cost of sales (-)	(92,387,852)	(714,989,503)
Gross profit (Loss)	(11,837,193)	25,474,537
General administrative expenses (-)	(5,734,383)	(56,082,020)
Operating profit/(loss)	(17,571,576)	(30,607,483)
Expenses from investment activities (-)	(31,781,678)	-
Net profit/(loss) for the period	(49,353,254)	(30,607,483)

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23 EQUITY

(a) Capital

As at 31 December 2023, the paid-in capital of the Company comprises of 100,023,579 shares issued (31 December 2022: 100,023,579 shares) of TL 1 each (31 December 2022: TL 1). There are no privileges rights provided to different shareholder groups or individuals. The shareholder structure of the Company is as follows:

Class	31 December 2023		31 December 2022	
	Ownership Interest	Shares (%)	Ownership Interest	Shares (%)
Shareholders				
TBQ Foods	91,727,012	91.71%	91,727,012	91.71%
GmbH	A			
Publicly traded	A	8,296,567	8,296,567	8.29%
Total	100,023,579		100,023,579	

(a) Capital

As of 31 December 2023, the Company's issued and paid-in share capital consists of 100,023,579 Class A shares and all with a par value of TL 1 each. These shares are bearer shares.

The Company registered capital system with the permission of the Capital Markets Board dated 24 February 2011 numbered 6/181. The authorized capital limit is 300,000,000 TL and the authority to increase the capital up to the registered capital limit is given to the board of directors until 2022.

Banvit shares, which are subject to the sale, belong to Yumtaş, Banvit's bankrupt subsidiary. There was no change in the partnership shares and capital structure due to the sale. BGC Partner Menkul Değerler A.Ş. The sale transaction was carried out on 25 October 2010 through Profit of TL 5,611,290 arising from the sale of shares after the commission paid for the transactions of TL 141.321 was accounted for under other reserves (31 December 2022: TL 5,611,290 TL)

(b) Capital adjustment differences

As of 31 December 2023, capital adjustment differences amounting to TL 1,352,865,790 consist of capital adjustment differences arising from the adjustment of the Group's paid-in capital amount according to inflation and not offset against previous years' losses or added to the capital (31 December 2022: TL 1,352,865,790).

(c) Defined benefit plans re-measurement losses

Consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19 (2011).

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24 EQUITY (Continued)

(d) Revaluation of property, plant and equipment

The properties revaluation fund arises on the revaluation of land. When revalued land is disposed, the portion of the properties revaluation reserves that relates to that asset is transferred directly to retained earnings.

	2023	2022
Balance as at 1 January	152,343,021	-
Fund outflow resulting from the sale/use of fixed assets	(10,619,065)	-
Deferred tax effect of valuation according to Legal Legislation (*)	247,265,851	-
Increase/(decrease) in value of property, plant and equipment, net	-	152,343,021
Effect of change in tax rate	(10,178,640)	-
Total	378,811,167	152,343,021

(*) Since Banvit has chosen the valuation method in its financial statements, the deferred tax effect calculated from the difference between the "Turkish Tax Law" base values and the values in the "CMB" financial statements has been accounted in the Other Comprehensive Income Statement.

(e) Translation Difference

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries from their functional currencies to presentation currency in TL. As of December 31, 2023 TL 613,646,976. (31 December 2022: 982,862,514)

(f) Gains/Losses from Cash Flow Hedges

Derivative instruments are initially recorded at their acquisition cost, which reflects their fair value at the contract date, and are valued at their fair value in the following periods. Derivative instruments of the Group mainly consist of forward foreign currency purchase and sale contracts and foreign currency and interest rate swap transactions. Although these derivative instruments provide an effective protection against risks for the Group economically, if they do not meet the necessary conditions for risk accounting, they are accounted for as trading derivatives in the consolidated financial statements and the fair value changes related to them are reflected in the consolidated profit or loss statement.

(g) Restricted reserves

The legal reserves consist of the first and second reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Group's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, however they can be used to offset losses if there are no retained earnings. In 2023, the Group has no transfer to legal reserves (31 December 2022: None.)

	31 December 2023	31 December 2022
First legal reserve	11,177,487	11,177,487
Second legal reserve	4,013,351	4,013,351
Total	15,190,838	15,190,838

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24 EQUITY (Continued)

(h) Other reserves

The immovables and all Banvit shares held by Yumtaş, a subsidiary of Banvit, were transferred to the Company prior to the bankruptcy of the subsidiary. In the consolidated financial statements as of 31 December 2009, these shares are followed as the company's own shares at an indexed cost of TL 22,511,632. On October 25, 2010, the company sold 4,750,293 shares of Banvit in its treasury to foreign investors at a price of 5.95 TL per share as a block.

(i) Retained earnings/(Accumulated losses)

Retained earnings indicated by the Group on its financial statements issued as per communiqué of Capital Market Board (CMB); Series: (II-14.1) was TL 1,720,598,981 as of 31 December 2023 (31 December 2022: gain TL 2,692,648,086).

24 REVENUE AND COST OF SALES

For the periods 1 January - 31 December 2023 and 2022, gross profit as a result of revenues and cost of sales related operating are as follows:

	31 December 2023	31 December 2022
Domestic sales	24,361,356,592	22,464,029,508
Export	3,340,544,050	3,807,240,262
Other sales	1,569,177	1,330,764
Gross revenues	27,703,469,819	26,272,600,534
Returns and discounts (-)	(6,378,613,241)	(5,998,724,097)
Net sales	21,324,856,578	20,273,876,437
Cost of sales (-)	(18,794,748,177)	(20,790,271,633)
Gross profit	2,530,108,401	(516,395,196)

For the year ended 31 December, the nature of cost of sales comprised the followings:

	31 December 2023	31 December 2022
Raw materials and consumables	12,707,156,021	14,130,538,140
General production expenses	2,817,142,112	4,245,287,875
Personnel expenses	2,013,765,395	1,398,539,475
Depreciation	1,102,818,559	667,758,229
Changes in inventory	153,866,090	348,147,914
	18,794,748,177	20,790,271,633

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**25 GENERAL ADMINISTRATIVE EXPENSES, SELLING, MARKETING AND
DISTRIBUTION EXPENSES RESEARCH AND DEVELOPMENT EXPENSES**

For the years ended 31 December, administrative expenses comprised the following:

	2023	2022
Depreciation and amortization	145.100.263	117.256.344
Personnel expenses	113.898.683	41.084.041
Maintenance and repair expenses	54.718.558	43.968.572
Consulting expenses	35.991.582	44.837.346
Travel expenses	31.608.100	27.255.240
Security expenses	19.985.808	14.946.306
Taxes, duties and fees	9.854.466	11.432.879
Insurance expenses	4.698.908	6.815.150
Social activity expenses	4.332.612	1.328.907
Accommodation expenses	3.617.053	3.117.144
Cleaning expenses	1.368.704	4.790.092
Other	37.798.337	26.710.932
	462,973,074	343,542,953

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	2023	2022
Shipping costs	436,500,344	432,171,222
Sales commission expenses	209,329,265	212,956,339
Export expenses	187,894,391	329,259,829
Personnel expenses	145,421,362	128,145,047
Rental expenses	83,719,363	14,357,071
Advertising expenses	30,284,998	54,272,583
Depreciation and amortization	17,075,658	25,439,276
Taxes, duties and fees	12,909,982	11,273,485
Electricity expenses	10,703,930	13,101,358
Maintenance and repair expenses	5,690,826	2,886,527
Cleaning expenses	5,495,562	4,200,395
Travel expenses	2,689,975	4,769,181
Insurance expenses	1,373,465	1,359,340
Other	43,561,140	28,281,793
	1,192,650,261	1,262,473,447

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26 EXPENSE BY NATURE

Depreciation and amortization expenses	2023	2022
Cost of sales (Note 24)	1,102,818,559	667,758,229
General administrative expenses (Note 25)	145,100,263	117,256,344
Selling, marketing and distribution expenses (Note 25)	17,075,658	25,439,276
	1,264,994,480	810,453,849

Personnel expenses	2023	2022
Cost of sales	2,013,765,395	1,398,539,475
Selling, marketing and distribution expenses	145,421,362	128,145,047
General administrative expenses	113,898,683	41,084,041
	2,273,085,440	1,567,768,563

For the years ended 31 December, personnel expenses comprised the following:

	2023	2022
Wages and salaries	2,029,684,195	1,547,872,370
Increase in the provision for severance pay	243,401,245	19,896,193
	2.273.085.440	1.567.768.563

Fees for Services Received from Independent Auditor/Independent Audit Firms

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on letter of POA dated August 19, 2022, preparation principles of which are based on the Board Decision published in the Official Gazette on Marh 30, 2022, are as follows:

	2023	2022
Audit and assurance fee	10,270,281	5,243,118
Tax consulting fee	557,462	1,531,856
Other assurance services fee	-	419,450
	10,827,743	7,194,424

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27 OTHER OPERATING INCOME AND EXPENSES

For the years ended 31 December, other operating income comprised the following:

	2023	2022
Foreign exchange gains	844,278,424	768,296,702
Rediscount income, net	162,780,452	131,789,154
Salvage income	16,550,569	17,567,977
Income and profits from other activities	13,115,338	25,335,550
Incentives	-	15,189,865
Provisions no longer required	-	2,077,873
Other operating income	1,036,724,783	960,257,121

For the years ended 31 December, other operating expenses comprised the following:

	2023	2022
Foreign exchange losses	1,496,923,954	1,103,142,436
Doubtful advance allowances	646,973	-
Other	86,907,115	23,101,801
Other operating expenses	1,584,478,042	1,126,244,237

28 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

For the years ended 31 December, income from investment activities comprised the following:

	2023	2022
Profits from the sale of assets held for sale	96,170,634	27,618,232
Total Income from investing activities	96,170,634	27,618,232

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29 FINANCE INCOME AND EXPENSES

	2023	2022
Foreign exchange gains	150,948,392	35,444,653
Interest income on financial liabilities	37,395,118	76,629,586
Total finance income	188,343,510	112,074,239

For the years ended 31 December finance expense comprised the following:

	2023	2022
Interest expense on financial liabilities	600,907,948	411,678,111
Foreign exchange losses	296,928,184	276,940,050
Commission and other expenses	246,692,399	138,676,764
Interest cost on defined benefit plan	52,858,719	25,988,799
Rental obligations interest expenses	7,413,818	13,105,889
Total finance expense	1,204,801,068	866,389,613

30 OTHER COMPREHENSIVE LOSS

For the year ended 31 December 2023, income amounting to TL 201,537,724 (2022: loss amounting to TL 146,236,256) has been recognized in other comprehensive income. which will be reclassified to profit or loss.

For the year ended 31 December 2023, Foreign currency translation effect amounting to TL 274,294,424 on accumulated other comprehensive income to be reclassified to profit or loss for the year ended December 2023 (2022: income amounting to TL 266,494,462) and hedging gain amounting to TL 18,801,565.

31 INCOME TAX

Corporate tax

The "Law Regarding the Imposition of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2023, and Amendments in Some Laws and Decree Laws, Including the Law Published in the Official Gazette with Number 32249 on July 14, 2023," according to Article 21, stipulates changes in Article 32 of the Corporate Tax Law numbered 5520. These changes regulate the corporate tax rate, increasing the general rate from 20% to 25%, and for banks and financial institutions, the rate rises from 25% to 30%. This amendment is effective from October 1, 2023, starting with the declarations to be submitted, and it is applied to the gains of corporations in the tax years of 2023 and subsequent periods (2022: 23%). The corporate tax rate is applied to the net corporate income, calculated by adding back non-deductible expenses according to tax laws and deducting exemptions and discounts specified in tax laws from the commercial income of corporations.

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31 INCOME TAX (Continued)

Corporate tax (Continued)

There is no practice in Turkey regarding reaching an agreement with the tax authorities on the taxes to be paid. Corporate tax returns must be submitted to the tax office to which the company is affiliated by the 25th day of the fourth month following the month in which the accounting period is closed.

The authorities with the power to conduct tax inspections can examine accounting records within a five-year period, and if erroneous transactions are identified, the tax amounts may change due to tax assessments. According to Turkish tax legislation, declared financial losses shown on the tax return can be deducted from the annual corporate income, provided that they do not exceed five years. However, financial losses cannot be offset against profits from previous years.

On December 30, 2023, the "GENERAL COMMUNIQUE ON TAX PROCEDURE LAW" was published in the Official Gazette, stating that, as of December 31, 2023, the balance sheet prepared in accordance with the Tax Procedure Law should be subjected to inflation adjustments, and the effects should be accounted for as of the same date.

Deferred Taxes

The existence of deferred tax liabilities or assets is determined by calculating the tax effects according to the balance sheet method of the temporary differences between the values of assets and liabilities as shown in the financial statements and the amounts considered in the legal tax base. Deferred tax liabilities or assets are reflected in the accompanying financial statements, taking into account the anticipated tax rates that will be applicable in future periods when these temporary differences are expected to reverse.

In reflecting the deferred tax asset in the financial statements, the Group considers factors such as developments in the sector in which it operates, estimated taxable profits in future periods, the general economic and political situation of Turkey, and/or international economic and political conditions that may affect the Group. The Group anticipates that it will generate a sufficient amount of taxable profit in future periods. As of December 31, 2023, the deferred tax assets and liabilities in the financial statements have been calculated at a rate of 25% for the portion of temporary differences that will create a tax impact in 2023 and subsequent periods.

Current tax assets and liabilities

As at 31 December, total current tax liability comprised the following:

	2023	2022
Corporate tax provision	387.810.069	-
Prepaid taxes	(143.892.121)	(135,555,255)
Total current tax (liability)/assets	243,917,948	(135,555,255)

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31 INCOME TAX (Continued)

Current tax assets and liabilities (Continued)

Total income tax benefit/(expense) recognized in profit or loss for the year ended 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Current year tax expense	(421,690,637)	-
Deferred tax income	14,501,084	(14,412,099)
Tax income/(expense)	(407,189,553)	(14,412,099)

For the years 31 December, the deferred tax asset/liability movement is as follows:

	31 December 2023	31 December 2022
1 January	(452,289,132)	(481,765,290)
Deferred tax effect of OCI	377,028,335	43,888,257
Deferred tax income	14,501,084	(14,412,099)
Total	(60,759,713)	(452,289,132)

For the years 31 December, the tax reconciliation is as follows:

	31 December 2023	31 December 2022
Net profit/(loss) of the period	1,359,155,142	(968,256,071)
Tax (expense)/income	(407,189,553)	(14,412,099)
Profit/(loss) before tax	1,766,344,694	(953,843,972)
Tax rate %	25%	23%
Taxes income/(expense) on reported profit per statutory tax	(441,586,175)	219,384,114
Non-deductible expenses	(137,629,121)	(158,665,376)
Tax effect of exemptions and deductions	55,136,437	1,107,131
Effect of permanent differences on which no deferred tax has been calculated	-	(17,461,561)
Monetary Gain/Loss	116,889,306	(58,776,407)
Tax expense	(407,189,553)	(14,412,099)

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31 INCOME TAX (Continued)

Deferred tax assets and liabilities

Deferred tax liabilities and assets are provided on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities and assets are recognized in the financial statements from the enacted or substantially enacted tax rates to the extent that the temporary differences in the subsequent years will be reversed.

The Group recognizes deferred tax assets in the financial statements by taking into consideration the factors such as the developments in the sector that the Group is operating. taxable income in the forthcoming years. Turkey's general economic and political situation. and/or global economic and political situations. The Group expects to generate taxable income in the forthcoming years and considers.

Deferred tax assets and liabilities as of 31 December 2023 are calculated with 25% tax rate for the temporary differences which will be realized after 2022 and onwards.

Recognized deferred tax assets and liabilities

As of 31 December 2023, deferred tax assets and liabilities comprised of the following;

	31 December 2023	31 December 2022
	Assets/(Liabilities)	Assets/(Liabilities)
Property, plant and equipment and biological assets	(434,530,785)	(681,796,636)
Provision for employee benefits	17,564,138	15,200,382
Retirement pay provision	185,612,246	93,354,682
Trade Receivables	12,377,358	2,880,094
Other current assets	27,334,317	21,660,761
Inventories	3,490,246	5,972,527
Trade payables	18,511,121	(2,729,531)
Prepaid expense and biological assets	(3,612,553)	(29,988,154)
Right of use assets and financial liabilities	(13,191,758)	(9,680,182)
Other short term provisions	53,333,293	53,010,906
Derivative transactions	2,360,339	4,234,547
Government grants	69,992,325	44,731,535
Deferred tax deducted from previous year's financial losses	-	30,859,934
Deferred tax assets/(liabilities), net	(60,759,713)	(452,289,132)

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32 EARNINGS/(LOSS) PER SHARE

Earnings per share for the year ended 31 December 2023 amounting to TL 9.5174 (31 December 2022: (TL 9.8244)). Earnings per share is computed by dividing the net profit for the year ended to the weighted average of the shares during these periods.

	31 December 2023	31 December 2022
Earnings/(loss) per share		
Net profit/(loss)	951,965,590	(982,668,170)
(Loss) from discontinued operations	(49,353,254)	(30,607,483)
Number of weighted average of ordinary shares	100,023,579	100,023,579
Basic Earnings/(loss) per share (per share) (TL)	9.5174	(9.8244)
Earnings/(loss) per share attributable to equity holders of the parent from discontinued operations	(0.4934)	(0.3060)

33 FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the following risks from its operations:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note informs about. Group's exposures towards risks mentioned above. Group's goals, policies and processes for measuring and managing risks and capital management policy of the Group. Detailed descriptions and analysis mentioned in Notes 34 and 35.

Financial risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management framework (Continued)

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amounts of financial assets and contract assets represents the maximum credit exposure. Financial instruments that could cause the Group to considerably increase credit risk are mainly cash and commercial receivables. The Group has cash and cash equivalents in various financial institutions. The Group manages this risk by limiting transactions with financial institutions and by constantly evaluating the reliability of such institutions. Credit risk that may arise from trade receivables is limited by the fact that the Group management limits the amount of credit applied to customers. Trade receivables are assessed by considering their past experiences and current economic situation in the Group management and are presented as net in the balance sheet after the provision for doubtful receivables is settled (Note 6).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group is subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprise at different times or in differing amounts.

Currency risk

The Group is exposed to currency risk due to its sales, import transactions and borrowings in foreign currency. These transactions are held in Usd and Euro.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

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33 FINANCIAL INSTRUMENTS (Continued)

Operational risk

Operational risk is the direct or indirect loss arising from a wide variety of factors related to the Group's processes, employees, technology and infrastructure, and external factors such as legal and regulatory requirements outside the credit risk, market risk and liquidity risk, and generally accepted standards for legal entity Risk, Operational risks arise from all Group activities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses. In this context, the following company procedures and internal control issues have been identified:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

	31 December 2023	31 December 2022
Total finance liabilities	1,360,879,563	3,182,602,839
Liquid assets	(1,258,631,029)	(884,603,863)
Net liabilities	102,248,534	2,297,998,976
Equity	4,401,509,999	4,001,496,106
Share capital	4,503,758,533	6,299,495,082
Net liabilities/Share capital	2%	36%

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34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

31 December 2023	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D)	32,032,232	1,489,093,053	-	112,237,685	1,194,858,600
- The part of maximum risk under guarantee with collateral	-	(433,498,800)	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	32,032,232	1,394,810,985	-	112,237,685	1,194,858,600
B. Net carrying value of financial assets that are restructured. otherwise which will be regarded as overdue or impaired	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	94,282,068	-	-	-
Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-
D. Net carrying value of financial assets which are impaired	-	-	-	-	-
- Past due (gross book value)	-	8,629,162	-	-	-
- Impairment (-)	-	(8,629,162)	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-

31 December 2023	Receivables	
	Trade receivables	Other receivables
1 - 30 days past due	(94,282,068)	-
1 - 3 months past due	-	-
3 - 12 months past due	-	-
1 - 5 years past due	-	-

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34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D)	33,709,288	1,259,277,479	-	19,462,137	813,956,208
- The part of maximum risk under guarantee with collateral	-	(464,540,376)	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	33,709,288	1,187,156,671	-	19,462,137	813,956,208
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	72,120,808	-	-	-
Covered portion of net book value (with letter of guarantee etc.)	-	(464,540,376)	-	-	-
D. Net carrying value of financial assets which are impaired	-	-	-	-	-
- Past due (gross book value)	-	13,384,760	-	-	-
- Impairment (-)	-	(13,384,760)	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-

31 December 2022	Receivables	
	Trade receivables	Other receivables
1 - 30 days past due	(57,740,327)	-
1 - 3 months past due	(43,238)	-
3 - 12 months past due	(3,976,887)	-
1 - 5 years past due	(10,360,356)	-

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**34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

The Group works with most of its customers since its foundation and there has not been any loss due to receivables from these customers. In order to monitor credit risks, customers are regrouped according to their credit character and customer types. Most of the accounts receivable consist of the receivables from store chains.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 69% (31 December 2022: 10.2%) of the Company's revenue is attributable to sales transactions with a single customer. Trade receivables balance of this customer is amounting to TL 21.510.343 for a single customer (31 December 2022: TL 61,004,427).

As of 31 December 2023, the maximum credit limit granted by the Group to the branches is TL 10,000 and each credit limit offer above 10,000 TL is evaluated according to the processes determined in the Group CRM policies.

As of December 31, 2022, the Group enters its customers within the scope of the commercial credit insurance with a limit of TL 10,000 - 250,000 in order to secure their receivables. For the limits demanded above these limits, commercial credit insurance is applied to the processes determined in the Group's CRM policies.

Group obtains a letter of bank guarantee from its customers to avoid exposure of the collection risk or ensures that it is included in the DBS system.

Credit risk is diversified since there are many counterparties in the customer database.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for other customers as at 31 December 2023:

	Weighted-average loss rate %	Gross carrying amount	Loss allowance
Current (not past due)	0.00%	902,441,818	-
1 - 30 days past due	0.04%	44,121,867	17,649
31 - 60 days past due	0.20%	1,807,743	3,615
61 - 90 days past due	0.70%	1,431,192	10,018
91 - 120 days past due	1.70%	2,605,119	44,287
121 - 150 days past due	3.33%	132,255	4,404
151 - 180 days past due	5.56%	9,467,449	526,390
181 - 360 days past due	11.81%	95,494	11,278
360+ days past due	100.00%	8,011,521	8,011,521
		970.114.458	8,629,162

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**34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for other customers as at 31 December 2022:

	Weighted-average loss rate %	Gross carrying amount	Loss allowance
Current (not past due)	0.00%	834,936,590	-
1 - 30 days past due	0.04%	906,895	363
31 - 60 days past due	0.20%	10,713,328	21,427
61 - 90 days past due	0.70%	1,504,479	10,531
91 - 120 days past due	1.70%	1,711,093	29,089
121 - 150 days past due	3.33%	110,253	3,671
151 - 180 days past due	5.56%	39,513	2,197
181 - 360 days past due	11.81%	493,968	58,338
360+ days past due	100.00%	13,259,144	13,259,144
		863,675,263	13,384,760

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34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

As at 31 December 2023, the monetary liabilities of the Group according to their remaining maturities are as follows:

31 December 2023	Book value	Contractual cash outflows	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivatives financial liabilities						
Financial liabilities	(1,359,597,473)	(1,342,224,120)	(498,267,969)	(774,612,895)	(69,343,256)	-
Trade payables	(3,396,706,421)	(3,396,706,421)	(3,396,706,421)	-	-	-
Other payables	(203,123,642)	(203,123,642)	(203,123,642)	-	-	-
Total	(4,959,427,536)	(4,942,054,183)	(4,098,098,032)	(774,612,895)	(69,343,256)	-

As at 31 December 2022, the monetary liabilities of the Group according to their remaining maturities are as follows:

31 December 2022	Book value	Contractual cash outflows	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivatives financial liabilities						
Financial liabilities	(3,100,363,650)	(3,130,376,642)	(1,726,402,682)	(1,193,059,399)	(210,914,561)	-
Trade payables	(3,855,900,151)	(3,855,900,151)	(3,855,900,151)	-	-	-
Other payables	(21,837,256)	(21,837,254)	(21,837,254)	-	-	-
Total	(6,978,101,057)	(7,008,114,047)	(5,604,140,087)	(1,193,059,399)	(210,914,561)	-

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**34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Market risk

Currency risk

Transactions in foreign currency cause the risk of exchange. The exchange rate risk is managed by forward foreign exchange purchase/sale contracts based on approved policies.

Assets and liabilities in foreign currencies of the Group as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			
	TL Equivalent	USD	EUR	GPB
1. Trade Receivables	165,304,418	3,135,314	2,241,255	-
2. Monetary Financial Assets	517,890,438	17,456,979	122,442	-
3. Other	-	-	-	-
4. Current Assets(1+2+3)	683,194,856	20,592,293	2,363,697	-
5. Total Assets (4)	683,194,856	20,592,293	2,363,697	-
6. Trade Payables	(1,491,860,184)	(39,357,132)	(10,147,951)	(350)
7. Financial Liabilities	-	-	-	-
8. Short-Term Liabilities (6+7)	(1,491,860,184)	(39,357,132)	(10,147,951)	(350)
9. Financial Liabilities	-	-	-	-
10. Long-Term Liabilities (9)	-	-	-	-
11. Total Liabilities (8+10)	(1,491,860,184)	(39,357,132)	(10,147,951)	(350)
Total (4+11)	(808,665,328)	(18,764,839)	(7,784,254)	(350)

	31 December 2022			
	TL Equivalent	USD	EUR	GPB
1. Trade Receivables	176,659,349	4,482,164	4,647,183	9,310
2. Monetary Financial Assets	46,259,277	2,473,983	-	-
3. Other	-	-	-	-
4. Current Assets(1+2+3)	222,918,626	6,956,147	4,647,183	9,310
5. Total Assets (4)	222,918,626	6,956,147	4,647,183	9,310
6. Trade Payables	(1,924,343,513)	(75,825,622)	(25,233,285)	(2,171)
7. Financial Liabilities	-	-	-	-
8. Short-Term Liabilities (6+7)	(1,924,343,513)	(75,825,622)	(25,233,285)	(2,171)
9. Financial Liabilities	-	-	-	-
10. Long-Term Liabilities (9)	-	-	-	-
11. Total Liabilities (8+10)	(1,924,343,513)	(75,825,622)	(25,233,285)	(2,171)
Total (4+11)	(1,701,424,887)	(68,869,475)	(20,586,102)	7,139

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**34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

	Exchange Rate Sensitivity Analysis			
	2023			
	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation/depreciation of USD against TL				
1-USD net asset/liability	(55,339,950)	55,339,950	-	-
2-Portion of hedged for USD (-)	-	-	-	-
3-Net effect of USD (1+2)	(55,339,950)	55,339,950	-	-
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(25,356,354)	25,356,354	-	-
5- Portion of hedged for EUR (-)	-	-	-	-
6- Net effect of EUR (4+5)	(25,356,354)	25,356,354	-	-
10% appreciation/depreciation of other currencies against TL				
7- Other currencies net asset/liability	(1,310)	1,310	-	-
8- Portion of hedged for other currencies (-)	-	-	-	-
9- Net effect of other currencies (7+8)	(1,310)	1,310	-	-
Total (3+6+9)	(80,697,614)	80,697,614	-	-

	Exchange Rate Sensitivity Analysis			
	2022			
	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation/depreciation of USD against TL				
1-USD net asset/liability	(129,006,301)	129,006,301	-	-
2-Portion of hedged for USD (-)	-	-	-	-
3-Net effect of USD (1+2)	(129,006,301)	129,006,301	-	-
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(41,112,093)	41,112,093	-	-
5- Portion of hedged for EUR (-)	-	-	-	-
6- Net effect of EUR (4+5)	(41,112,093)	41,112,093	-	-
10% appreciation/depreciation of other currencies against TL				
7- Other currencies net asset/liability	16,055	(16,055)	-	-
8- Portion of hedged for other currencies (-)	-	-	-	-
9- Net effect of other currencies (7+8)	16,055	(16,055)	-	-
Total (3+6+9)	(170,102,338)	170,102,338	-	-

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**34 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Interest rate risk

As at 31 December, the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	31 December 2023	31 December 2022
Fixed rate instruments		
Financial asset	1,489,093,053	764,250,271
Financial liabilities	1,360,879,563	1,931,508,444

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2023.)

35 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)

Valuation methods of financial instruments valued at fair value are given in the table below. Valuation methods according to levels are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Data that are directly (through prices) or indirectly (derived from prices) observable data in terms of assets or liabilities, other than recorded prices in

Level 3: Data on assets or liabilities that are not based on observable market data (non-observable data).

31 December 2023	Level 1	Level 2	Level 3
Derivative financial instruments (net)		9,441,356	-
		9,441,356	-

As of 31 December 2023, the Group's lands, buildings and land improvements are measured at their fair values determined by an independent professional valuation company using other valuation techniques containing directly or indirectly observable inputs (Level 2) (Note 2.3).

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35 FINANCIAL INSTRUMENTS (THE FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING FOR FINANCIAL RISK)

Fair value

The company has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods. Fair values of financial assets and liabilities are estimated to approximate their carrying values since they have short term maturities.

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
31 December 2023				
Financial assets	2,891,993,999	-	2,891,993,999	2,891,993,999
Cash and cash equivalents	1,258,631,029	-	1,258,631,029	1,258,631,029
Trade receivables from third parties	1,489,093,053	-	1,489,093,053	1,489,093,053
Trade receivables from related parties	32,032,232	-	32,032,232	32,032,232
Other receivables from third parties	112,237,685	-	112,237,685	112,237,685
Financial liabilities	-	4,759,357,815	4,759,357,815	4,759,357,815
Financial liabilities	-	1,359,597,473	1,359,597,473	1,359,597,473
Trade payables to third parties	-	3,378,108,911	3,378,108,911	3,378,108,911
Trade payables to related parties	-	18,597,510	18,597,510	18,597,510
Other payables to third parties	-	3,053,921	3,053,921	3,053,921

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35 FINANCIAL INSTRUMENTS (THE FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING FOR FINANCIAL RISK) (Continued)

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
31 December 2022				
Financial assets	2,197,052,767	-	2,197,052,767	2,197,052,767
Cash and cash equivalents	884,603,863	-	884,603,863	884,603,863
Trade receivables from third parties	1,259,277,479	-	1,259,277,479	1,259,277,479
Trade receivables from related parties	33,709,288	-	33,709,288	33,709,288
Other receivables from third parties	19,462,137	-	19,462,137	19,462,137
Financial liabilities	-	6,959,357,599	6,959,357,599	6,959,357,599
Financial liabilities	-	3,100,363,650	3,100,363,650	3,100,363,650
Trade payables to third parties	-	3,854,528,258	3,854,528,258	3,854,528,258
Trade payables to related parties	-	1,371,893	1,371,893	1,371,893
Other payables to third parties	-	3,093,798	3,093,798	3,093,798

The Group has determined the estimated fair values of financial instruments using readily available market information and appropriate valuation methods. The fair values of financial assets and liabilities (excluding financial liabilities) are considered to almost equal to their carrying values due to their short-term nature. Internal rate of return ("IRR") has been calculated for all the borrowings under financial liabilities and amortized figure has been accounted for.

Due to the short-term nature of financial assets and liabilities, their fair values are considered to be close to their carrying values.

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36 EVENTS AFTER BALANCE SHEET DATE

According to the information that Banvit has received by the Competition Authority on 19 January 2024, by the "Investigation Notification" numbered E-13183850-110.03.99-81897, the preliminary investigation report has been completed due to the violation of Article 4 of the Law on the Protection of Competition (Law No. 4054) and accordingly, it was decided to launch an investigation against Banvit.

At this stage, it is not yet possible to make a definite assessment about possible financial liabilities and other possible administrative sanctions to Banvit after the completion of the investigation by the Competition Authority.

37 STATEMENT OF CASH FLOW DISCLOSURES

Net cash provided from operating activities of the Group is TL 1,469,720,025 (2022: TL 1,960,653,389), net cash used in investing activities is (1,143,740,023) TL (2022: (2,347,491,454) TL), net cash used financing activities is TL 1,201,918,559 (2022: TL 1,127,926,401) as of 31 December 2023.

38 STATEMENTS OF CHANGES IN EQUITY DISCLOSURES

The equity of the Group consist the equity Parent company in amount of TL 4,401,509,999 as of 31 December 2023 (31 December 2022: TL 4,001,496,106)

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