KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND SUBSIDIARIES

Annual Report for the Period January 1st - December 31st, 2024

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Kerevitaş Gıda Sanayi ve Ticaret A.Ş.

1. Opinion

We have audited the annual report of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2024 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 7 March 2025 on the full set consolidated financial statements for the 1 January - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Group's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mert Tüten, SMMM
Independent Auditor

Istanbul, 7 March 2025

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I. ORGANIZATION, NATURE OF OPERATIONS AND SHAREHOLDING STRUCTURE OF THE GROUP

a. General Information

Reporting Period:	01.01.2024 – 31.12.2024
Commercial Title:	Kerevitaş Gıda Sanayi ve Ticaret Anonim Şirketi
Trade Registration:	114597
Paid-in/Issued Capital:	TRY 662,000,000
Head Office and Branch Communication Address	**Head Office:** Kısıklı District, Ferah Street, Yıldız Holding No:1/A Üsküdar/İstanbul **Bursa Factory:** Akçalar District, Gölyolu Street, No.46 Nilüfer/Bursa **Afyon Factory:** Emirdağ Organized Industrial Site, Kuruca/Emirdağ/Afyonkarahisar **Kurtköy Factory:** Ramazanoğlu District, Mahmut Bayram Street No:88, 34906 Pendik/İstanbul
Web adress:	www.kerevitas.com.tr
Investor Relations Contact	yatirimci@kerevitas.com.tr

Subject of activity of Kerevitas Gida Sanayi ve Ticaret A.S. ("Kerevitas" or the "Company") and its subsidiaries (the "Group") are the production of frozen and canned food, oil and margarine and the sales and marketing of these products in Türkiye and in foreign markets. The products in the frozen product category are bakery products, vegetable and fruit products, potato and croquette products, meat products, sweets and frozen bakery products. Canned product categories are canned tuna and canned vegetables. In the oil category, there are consumer margarine, out-of-home consumption and cooking oil products. The company was established in 1978 with the aim of exporting aquacultural resources and has been one of the leading companies in the food sector since 1990 with the investments it has made over the years.

The Group's frozen and canned food business unit produces vegetables, fruits, canned tuna fish, bakery products and pizza in its Bursa plant, potatoes, vegetables, and fruits in its Afyon plant and frozen bakery products in its Istanbul plant, and its oil business unit produces oil and margarine with three production facilities in Istanbul, Adana and the Sultanate of Brunei.

The Group sells the products that are produced its facilities throughout Türkiye through its dealers and own direct distribution channels, as well as exports its products.

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

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

The Company is registered with the Capital Markets Board ("CMB") and its shares have been traded on the Borsa Istanbul A.S. ("BIST") since 1994.

The shareholding structure of the Company as of December 31, 2024, and December 31, 2023, is as follows:

	31 December 2024		31 December 2023	
Partnership	**Share Ratio (%)**	**Amount (TRY)**	**Share Ratio (%)**	**Amount (TRY)**
Yıldız Holding A.Ş.	60.53	400,675,745	54.27	359,245,941
Murat Ülker	9.98	66,079,898	9.98	66,079,898
Ufuk Yatırım Yönetim ve Gayr. A.Ş.	-	-	6.26	41,429,804
Other	29.49	195,244,357	29.49	195,244,357
Total	**100**	**662,000,000**	**100**	**662,000,000**

The details of the subsidiaries of the Group as of 31 December 2024 and 31 December 2023 are provided below.

	Direct and indirect effective ownership ratios (%)	
Subsidiaries	**31 December 2024**	**31 December 2023**
Kerpe Gıda Sanayi ve Tic. A.Ş.	100.00	100.00
Besmar Gıda Sanayi ve Ticaret A.Ş.	100.00	100.00
Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş.	100.00	100.00
Berk Enerji Üretimi A.Ş.	88.17	88.17
Marsa Yağ Sanayi ve Tic. A.Ş.	70.00	70.00
Western Foods and Packaging SDN BHD (*)	70.00	70.00

(*) The Group has an indirect share in the related company.

b. Dividend Policy

Kerevitaş distributes profit in accordance with the Turkish Commercial Code, Capital Market Law, Tax Law, other applicable legislation and the articles related to profit distribution in the Kerevitaş' Articles of Association. The Board of Directors' dividend distribution proposal, which complies with the Kerevitaş' dividend distribution policy and the Capital Markets Board's Corporate Governance Principles is submitted for the approval of shareholders at the General Assembly; detailed information on the history of profit distribution and capital increases is disclosed in the corporate web site.

c. Investments

The Group reinforces its strong position in the market with new capital investments including new installations in factories, capacity increases, changes in production lines, productivity increases, improvements in hygienic conditions and storage processes. The common purpose of the investments is to consolidate the Group's leading position in the market, increase customer satisfaction, improve product quality, and make the cost base even more competitive by

contributing to effectiveness and efficiency. The Group made a consolidated investment of approximately TRY 453 million in the January-December period of 2024. These investments include studies in areas such as infrastructure continuity, efficiency, quality continuity and information technologies.

II. BOARD OF DIRECTORS

Name-Surname	Position	Office Term
Mehmet TÜTÜNCÜ	Chairman	26.04.2024-26.04.2027
Ali ÜLKER	Vice President	26.04.2024-26.04.2027
Fahrettin Günalp ERTİK	Member	26.04.2024-26.04.2027
Şükrü ÇİN	Member	26.04.2024-26.04.2027
Füsun KURAN	Member (Independent)	26.04.2024-26.04.2027
Esra KIVRAK	Member (Independent)	26.04.2024-26.04.2027

Limits of Authority

Board's limits of authority are set in accordance with the Article 13 of Company's Articles of Association as well as provisions of Turkish Code of Commerce. Board Members do not have any activities subject to the restriction of competition in their transactions with the company on behalf of themselves or someone else.

Board's limits of authority are set in accordance with the Article 13 of Company's Articles of Association as well as provisions of Turkish Code of Commerce.

The benefits provided to the Board Members and top executives are outlined below.

	1 January - 31 December 2024	1 January - 31 December 2023
Remunerations and other benefits	142,793,765	116,746,953
	142,793,765	**116,746,953**

III. ORGANIZATIONS OTHER THAN CENTRAL ORGANIZATION

The distribution of products in the frozen and canned food business line is carried out throughout Türkiye through dealers, distributors and direct distribution. In the export and Private Label channels, Yeni Tekozel, a Yıldız Holding group company, sells and markets the products both in domestic discounter markets and in international markets.

Consumer products in the oil business are sold by Horizon, which is one of the group companies of Yıldız Holding, in the traditional channel, by own sales organization in the modern channel. Secondary brands Halk, Yayla and Luna products are sold in the traditional channel by their own sales organization and Private Label channel sales are made by Yeni Teközel, and industrial, pastry and catering sales are carried out by the Company's own sales organization and distributor structure and by G2mEksper, a Yıldız Holding company, while exports are carried out by the Company's own sales organization.

IV. MATERIAL EVENTS DURING PERIOD

• Rating of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. has been preserved compared to last year in the report prepared by the credit rating agency JCR Eurasia Rating dated January 24, 2024, and has assigned "AA- (tr)" long term national issuer credit rating and "J1+ (tr)" short term national issuer credit rating with "Stable" outlook. JCR Eurasia Rating has assigned "BB" long term foreign and local currency international issuer credit rating for our company with "negative" outlook.

• Within the scope of the resolution of our Board of Directors dated January 29, 2024 and numbered 2024/01; within the framework of the Capital Markets Legislation, it was resolved to issue debt instruments up to TRY 700,000,000 (Seven Hundred Million Turkish Lira), in various series and maturities within a one-year period, in Turkish Lira, domestically, in one or more times, in the form of private placement or sale to qualified investors without public offering. Regarding the issuance process, our Company made an application to the Capital Markets Board on January 31, 2024. It was announced that our application for the domestic issuance of debt instruments up to a nominal amount of 700,000,000 Turkish Liras was approved by the Board in the Capital Markets Board's Bulletin No. 2024/37.

• No changes were made to the articles of association during the period. However, in accordance with the Resolution of our Company's Board of Directors dated December 27, 2024; in line with our Company's expanding product portfolio and synergistic focus areas, it was decided to change the company's title as "Besler Gıda ve Kimya Sanayi ve Ticaret Anonim Şirketi" in order to create a corporate identity that is more compatible with our long-term goals in the food sector. Accordingly, in order to be submitted to the approval of the shareholders at the first general assembly meeting, the 3rd Article of our Company's articles of association, titled "Title of the Company", will be amended and within this scope, it will be submitted to the Capital Markets Board and subsequently to the Ministry of Commerce of the Republic of Türkiye to obtain the appropriate opinions and permissions. It has been decided to apply to and authorize the Management to carry out all kinds of work and transactions necessary for the implementation of this resolution.

V. MATERIAL EVENTS AFTER THE PERIOD

• Our application for the amendment planned for Article 3 of our Company's Articles of Association, which is the subject of our material event disclosure dated December 30, 2024, was approved by Capital Markets Board's letter dated January 27, 2025 and numbered E-29833736-110.03.03-66880. The approved amendment provision is attached.

Immediately afterwards, our application to the Ministry of Commerce General irectorate of Domestic Trade, requesting a favorable opinion on the amendment of the articles of association, was approved by the letter of the Ministry of Commerce dated February 10, 2025 and numbered E-50035491-431.02-00106063234.

The draft amendment to the Articles of Association will be submitted to the approval of our shareholders at the 2024 Ordinary General Assembly meeting.

• Rating of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. has been preserved compared to last year in the report prepared by the credit rating agency JCR Eurasia Rating, and has assigned

"AA- (tr)" long term national issuer credit rating and "J1+ (tr)" short term national issuer credit rating with "Stable" outlook. JCR Eurasia Rating has assigned "BB" long term foreign and local currency international issuer credit rating for our company with "Stable" outlook.

VI. INDUSTRY OF THE GROUP AND ITS PLACE IN THE INDUSTRY

Frozen Food Industry;

The frozen food sector, which is among the main business lines in which Kerevitaş operates, is a food industry branch that operates from the supply of raw materials suitable for freezing, (seed selection, production, purchase) to transporting raw material to the facilities under suitable conditions, from being stored in the premises to selection, picking, washing, sizing and processing with product-specific techniques and to the monitoring of customer results as a result of storage, loading, transportation, distribution, and consumption, by deep freezing and being packed in the appropriate ways and techniques.

According to Turkish Food Codex, "quick frozen food" means the food in which the maximum crystallization temperature zone is exceeded as soon as possible, depending on the type of product, provided by a suitable freezing process known as quick freezing, where all points of the product are at –18°C or lower after the temperature has reached a constant value and in which this situation is constantly maintained and marketed in such a way as to carry these characteristics.
Fast freezing process is the best food preservation method for preserving food quality, flavor, smell, and nutritional content. Food is stored in its most natural state thanks to quick freezing at -40°C, which freezes the water in the foods into ice crystals and inhibits the microorganisms that cause spoilage from growing, as well as limiting chemical and biological changes. Cold storage, cold transportation and similar processes which must be implemented in order for the foodstuffs that need to be kept in a cold environment to maintain their compliance with the food safety criteria and their properties at every stage, starting from the production stage to consumption, such as shipping, storage and sales, is called "Cold Chain". Maintaining the temperature of -18°C in all links of the Cold Chain from production to shipment and sales point is of high importance for our frozen product groups. Consumers who purchase food kept in -18°C cabinets at retail locations are advised to put them in their home freezers or cook them within 2 hours.

Today, it is provided to freeze fruits and vegetables processed using the IQF (Individual Quick Freezing Process) technique in frozen food facilities, individually by deep-freezing. With this method, the raw materials supplied from the source and in the season are cleaned and individually frozen at -40°C cold in a short period of 5-8 minutes by applying IQF. The procedure involves freezing the water in the products, giving them a lengthy shelf life without the usage of chemicals. Freezing food: This is the process of freezing cell sap together with the ingredients that make up the food without cracking the core membrane, by applying the IQF method. Since the products are collected in full season and frozen in their freshest form and at low temperatures, they retain their freshness and nutritional value until the moment of consumption.

Frozen food investments began in Türkiye in the early 1970s for export, and the Frozen Food Market began to flourish in 1990, with Kerevitaş's goods being sold to the domestic market for the first time. Today, it has become a category that is sold in both retail and out-of-home consumption channels, including different categories such as Pizza, Pastry, Puff Pastry, Ravioli, Pita, Vegetable-Fruit, Potato & Potato Croquettes, Desserts, Meat Products and Coated

Products, Canned Products and Frozen Bakery. Reaching 13 times the value in the last 6 years, the Retail Frozen Food Market has reached a value of TRY 25.3 billion* with a growth of 100% in 2024 compared to the same period of previous year.

Since the 1930s, this market has grown to nearly $290 billion per year. Consumption per capita is over 30 kg in countries such as the U.S., Germany, and the UK. In the Frozen Food and Canned Food Türkiye market, in 2024 per household consumption is 6.8 kg**, which shows that there is growth potential.

Vegetable Oil/Fat Industry;

The production of vegetable oil in the world is mainly covered by palm oil, as well as soy, rapeseed, and sunflower. In our country, a large part of the oilseed and vegetable oil production is obtained from sunflower. Other than that, cotton seed (chewed), soy, rapeseed, aspire, corn, and olive are among the key ingredients used for vegetable oil production. Margarine is the fat category most open to branding. Sunflower oil is the largest category of the market.

Compared to the same period last year, the Turkish consumer oil market has grown by 55% in 2024 and reached a turnover value of TRY 81 billion***. In the same period, the margarine category, which is the most open to branding oil category, reached a value of TRY 9.5 billion**** with a growth of 39% in turnover value.

*Source: Nielsen Total Türkiye, Fresh Frozen Food Market Report, 2024
**Source: IPSOS Household Panel, Frozen Food Market Report, 2024
***Source: Nielsen Total Türkiye, Oil Market Report, 2024
****Source: Nielsen Total Türkiye, Margarine Market Report, 2024

VII. GOODS AND SERVICES PRODUCTION ACTIVITIES

Frozen and Canned Food Business Unit

Production

Operating under the SuperFresh brand in the frozen and canned food segments, the Company has an advanced production infrastructure in this business line. Products produced with high technology are stored in high-capacity frozen, cold, and dry warehouses in Bursa, Afyon and Istanbul facilities. Production infrastructure is consistently developed in line with customer needs and expectations. It produces frozen food and canned food products in 3 factories in Bursa, Afyon and Istanbul.

Sales, Marketing and Distribution

With product availability at more than 137 thousand points in the domestic market, the Company has a robust sales-marketing network with 195 distribution vehicles and 21,494 freezers. It has a sustainable sales and marketing network thanks to the strong network it has established with 57 dealers in the domestic market. Thanks to the high international brand recognition of its parent

company, Yildiz Holding, Kerevitas has rapidly expanded its reach in markets around the world and is consistently reinforcing its sales and marketing organization in international markets. Kerevitas is the only company with products in all categories of the frozen food and canned food business line in the domestic market under the SuperFresh brand. The SuperFresh brand is the clear leader in the frozen food market with a 41% brand market share. (Source: AC Nielsen 2024 Turnover Share, excluding discount stores) Today, SuperFresh has 100% brand recognition. In terms of household preferences, it is the most popular brand among branded products in Türkiye. (2024 December house penetration 86%) In terms of consumer perception, this year, it maintained its position as the category leader in all brand image scores, especially with the statements "leading & expert brand in frozen food". SuperFresh offered 436 SKUs to customers in retail, export, commercial and out-of-home consumption channels.

Research and Development Activities

In line with the innovation strategy, innovative launches, relaunches and 28 new channel-specific product launches were launched in 2024 to reinforce its leadership in the category. In this period, the turnover from new products constituted 20% of the total retail SuperFresh turnover.

Our prominent launches in frozen food: Pizza and chicken döner wrap toast in collaboration with Refika Birgül, onion rings with cajun spices, heat-and-eat muffins, which are the first in their category, mac&cheese croquettes, and baked potato croquettes, which won the most innovative product award in the frozen food category at the SIAL fair.

Communication Campaigns:

SuperFresh was chosen as Türkiye's most popular brand in the "Frozen Food" category for the first time. (Source: "Türkiye's Lovemarks 2024" research conducted by MediaCat magazine in cooperation with Ipsos) The innovative, inclusive and sustainability approach in the communication and product studies implemented recently played a major role in choosing "Lovemark".

With the “Super Fast Recipes with Refika Birgül” Ramadan campaign, iftar recipes were presented, and for the first time in the sector, the 1-minute real format was brought to TV, and the “Best Branded Content Bronze Award” was won at The Hammers Awards.

With the “SuperFresh When You Want Tuna” campaign, a +3.5 point turnover increase was achieved in tuna.

Within the scope of “With Pizza Love” World Pizza Day, special discounts were offered in sales channels in cooperation with Getir, and influencers were hosted at KidZania.

The Social Flavors campaign was prepared with the Karaca brand, and an inspiring result was achieved in terms of brand partnerships.

Accessibility and Inclusivity: With the BlindLook integration, it became the first EyeBrand brand in Türkiye for visually impaired consumers.

Export

SuperFresh exports to more than 30 countries on 5 continents. Its main export markets include Iraq, Cyprus, Azerbaijan, Greece, Georgia, Europe, the USA, the Middle East and Asia. It expands its distribution network by participating in food fairs in Türkiye and around the world. It was awarded the “Export Champion” award by the Istanbul Exporters Association in 2023.

Oil Business Unit Department

Production

Kerevitas began operating in the oil business after being acquired by Besler Gida. The company produces oil and margarine at three facilities: one in Adana, one in Istanbul, and one in Brunei. The Company's Marsa Adana Factory is the production facility with the largest single-site capacity in Türkiye. Kerevitas carries out the sales and marketing of these products in Türkiye and foreign markets by producing in the fields of oil and margarine. Under the main categories of consumer margarine, EDT (Pastry/Catering and Industrial Oils) and Edible Oils; the company produces and sells a total of 55 brands and 539 SKUs, especially Bizim Yağ, Teremyağ, Luna, Ona, Ustam, and Evet, in its three facilities, which it has structured in the light of international quality standards.

Sales, Marketing and Distribution

With its main brands Bizim Yag, Teremyag, and Luna, which are managed with a strong consumer insight focus, Kerevitas Oil Department, which is the clear leader with a 66.9% percent share in the margarine industry, where local and foreign players are present, directs the market (Source AC Nielsen December 2024– Turnover Share, without discount markets).

Consumer products in the oil business are sold by Horizon, which is one of the group companies of Yıldız Holding, in the traditional channel, by own sales organization in the modern channel. Secondary brands Halk, Yayla and Luna products are sold in the traditional channel by their own sales organization and Private Label channel sales are made by Yeni Teközel, and industrial, pastry and catering sales are carried out by the Company's own sales organization and distributor structure and by G2mEksper, a Yıldız Holding company, while exports are carried out by the Company's own sales organization.

Ulker Bizim Yag, which is the most consumed branded product in the market, which was entered most houses and which has the most loyal consumers, consolidated its leadership in the package market in 2024 with a 35.2% turnover share (Source: AC Nielsen Total Türkiye December 2024 Package Margarin Turnover Rate, Ipsos HTP).

We reached a turnover share of 58.2% with our brand Ülker Teremyağ, which is the market leader in the tub margarine segment, and we continued to strengthen our leading position by far. (Source: AC Nielsen Total Türkiye December 2024 Package Margarin Turnover Rate, Ipsos HTP).

Communication Campaigns:

With 512 thousand followers on Instagram, we are the brand with the highest follower count and high interaction in the FMCG Food sector.

The first and only pastry channel in Türkiye, Hamur Bizim İşimiz, has reached over 100 million views and 1 million subscribers. We have reached the 1st brand position in FMCG, and have achieved the success of being the first branded channel to receive a gold plaque from YouTube.

We have broken new ground in the sector by offering accessible recipes for the visually impaired with artificial intelligence integration, and we have become the first EyeBrand brand in the category.

We brought our new communication campaign “The Secret of Good Food” to our consumers on TV, digital, radio, markets and e-commerce platforms.

Achieving a first in the sector, we included different target audiences in the kitchen, young, women and men in our commercial. We reached the position of the brand that entered the most households with a 32%(Ipsos HTP, Margarine Report, 2024) penetration rate.

We became the 2nd most followed brand in the FMCG Food category with 384 thousand followers and a 33% interaction rate on Instagram.

We launched Ülker Sürmix Ekmeküstü in the Spreadable Cheese category, stepping into a new area for the first time outside the oil category. We made an ambitious entry into the market with innovative flavors that stand out from the competition, such as Cheese Chocolate and Cheese Honey.

Research and Development Activities

Our prominent launches in the oil category: Bizim Yağ Pastry Package 250 gr, reflecting our expertise in pastries, cheese and oil-based Ülker Sürmix (cheese-honey and cheese-chocolate), Bizim Yağ Breakfast Pleasure Bowl, Bizim Yağ Package 500 gr.

Export

According to TÜİK data, in the January-December 2024 period, we realized 37% of Türkiye's oil exports and reached more than 50 countries in 5 continents.

The countries we export to are spreading to a wide market in Europe, the Middle East, Asia and Africa, as well as our neighboring countries Iraq, Syria and Georgia.

In the consumer margarine category, we have been operating in Iraq and Georgia for over 30 years with our "Ona" brand, and in the out-of-home consumption sector, we continue to be the market leader in Albania in the pastry sector and in Iraq, Romania and Kazakhstan in the catering sector.

As Türkiye's largest margarine exporter, we took part in Gulfood Dubai, Prodexpo, West Africa, Sial Paris, Gulfood Manufacturing Dubai and Worldfood international fairs organized in Türkiye in 2024 in order to expand our distribution network with new customers and increase our power in the global market. Thanks to these events, we have added more than 15 new customers to our portfolio and further expanded our export capacity.

Consumer Products

Ona, Luna, Sabah, Bizim Yağ, Teremyağ, Evet, Evin, Yayla, Halk brands

Out-of-Home Consumption

- Pastry and Catering Oils

Ustam, Usta, Proser, Teremyağ ve Bizim Yağ brands

- Industrial Oils

Akbis, Akrim, Akyağ, Arma, Mars, Akao, Spy, Besler, Bes, Beska, Bizim

- Edible Oils

Sabah, Evet, Bizim Bereket

VIII. ADMINISTRATIVE ACTIVITIES

a) Managerial Staff

Our company's top executives and their roles are shown in the following table.

Mert Altınkılınç	CEO	Frozen and Canned Food Business Unit, Oil Business Unit
Gülizar Öcal Doğan	CMO	Frozen and Canned Food Business Unit, Oil Business Unit
Özhan Nuri Özesenli	COO	Frozen and Canned Food Business Unit, Oil Business Unit
Ufuk Kasar	CFO	Frozen and Canned Food Business Unit, Oil Business Unit
Utku Ünal	CCO	Frozen and Canned Food Business Unit
Ilgın Hasırcıoğlu	General Manager	Donuk Fırıncılık
Ali Ertuğrul Yemiş	Director - Sales	Oil Business Unit
Hamide Güven Şen	Director - Human Resources	Frozen and Canned Food Business Unit, Oil Business Unit, Donuk Fırıncılık
Uğur Tendik	Director - Sales	Oil Business Unit
Akif Yiğit	Director-Export	Oil Business Unit
Hatice İçeli	Director-R&D&Business Development	Oil Business Unit
Kerem Çetin	Director-R&D&Business Development	Frozen and Canned Food Business Unit
Nejla Yılmaz Eker	Quality Director	Oil Business Unit
Aytül Tunalı	Quality Senior Manager	Frozen and Canned Food Business Unit
Korcan Aydın	Manager-Sustainability	Frozen and Canned Food Business Unit, Oil Business Unit, Donuk Fırıncılık
Egemen Hopalı	Director-Information Technologies	Frozen and Canned Food Business Unit, Oil Business Unit, Donuk Fırıncılık

b) Information about Personnel

Company has 2,043 employees as of 31 December 2024. (31 December 2023: 1,932)

IX. RISK MANAGEMENT POLICIES

Internal Control

Kerevitaş has established an internal control system to effectively manage its operations, minimize risks, and achieve its targets. This system is designed to protect the integrity of the Company's assets and information, increase operational efficiency, and ensure compliance with legal regulations. The internal control system is regularly evaluated in areas such as operational processes, financial reporting, risk management, and compliance by the Internal Audit Department established within the Holding. In addition to analyzing and evaluating the internal control systems, the Internal Audit Department also provides improvement suggestions to Kerevitaş' senior management. The Internal Audit Department shares the results of its activities with the Kerevitaş Audit Committee four times a year.

Risk Management

Risks identified through risk management processes are systematically monitored and measured using quantitative and qualitative measurement criteria in line with written risk policies in accordance with international standards and the Company's corporate risk appetite within the scope of risk management strategies that are vital for the Company's sustainable performance. These processes both increase transparency and ensure a more systematic assessment of risks in investment and operational decisions.

The Investor Relations and Risk Management Department, which operates under the Financial Affairs Directorate, carries out its activities in order to identify all kinds of risks that may jeopardize the existence, development, and continuity of the Company and that affect the decisions to be adopted or have already been adopted within the scope of the Company's activities, together with the risk owners, to plan and implement the necessary measures and actions, to ensure that the risks are managed in a coordinated manner within a management system, to review them, and to report them to the Senior Management. Senior executives are responsible for the management of risks related to their business functions or organizations, and for taking and monitoring the necessary actions to mitigate the impact and probability of such risks within the framework of action plans. Kerevitaş Early Detection of Risk Committee carries out, on the other hand, the activities for establishing the corporate risk management system implemented throughout the Company, ensuring its development, observing and monitoring its effective functioning, and reporting it to the Board of Directors.

X. CONSOLIDATED FINANCIAL STATEMENTS AND SHARE PERFORMANCE

CONDENSED CONSOLIDATED BALANCE SHEET (TRY)

	Independently Audited Current Period	Independently Audited Previous Period
	31 December 2024	**31 December 2023**
ASSETS		
Current Assets	16,347,523,572	12,762,488,802
Non-Current Assets	11,453,459,179	10,516,870,648
TOTAL ASSETS	**27,800,982,751**	**23,279,359,450**
LIABILITIES		
Short-Term Liabilities	11,801,857,056	9,970,064,559
Long-Term Liabilities	3,533,306,545	2,789,073,007
Shareholder's Equity Total	12,465,819,150	10,520,221,884
TOTAL EQUITY	**27,800,982,751**	**23,279,359,450**

CONDENSED CONSOLIDATED INCOME STATEMENT (TRY)

	Independently Audited Current Period	Independently Audited Previous Period
	1 January - 31 December 2024	**1 January - 31 December 2023**
Revenues	**25,001,705,086**	**27,298,496,089**
Gross profit	**5,912,983,605**	**5,534,105,716**
Gross profit margin	23.65%	20.27%
Operating Profit (*)	**2,655,921,363**	**2,474,524,891**
Operating profit margin	10.62%	9.06%
EBITDA	**3,206,753,157**	**3,117,178,595**
EBITDA margin	12.83%	11.42%

(*) Operating profit before other incomes and expenses from main operations.

Performance of Shares

The closing price of the shares traded on the Stock Exchange Istanbul with the KERVT code as of December 31, 2024, was TRY 14.74. The company's shares are quoted in the BIST FOOD, BEVERAGE / BIST ALL SHARES / BIST 500 / BIST BURSA / BIST STARS / BIST SUSTAINABILITY / BIST INDUSTRIALS / BIST ALL SHARES-100 / indices.

XI. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No changes were made to the articles of association during the period. However, in accordance with the Resolution of our Company's Board of Directors dated December 27, 2024; in line with our Company's expanding product portfolio and synergistic focus areas, it was decided to change the company's title as "Besler Gıda ve Kimya Sanayi ve Ticaret Anonim Şirketi" in order to create a corporate identity that is more compatible with our long-term goals in the food sector. Accordingly, in order to be submitted to the approval of the shareholders at the first general assembly meeting, the 3rd Article of our Company's articles of association, titled "Title of the Company", will be amended and within this scope, it will be submitted to the Capital Markets Board and subsequently to the Ministry of Commerce of the Republic of Türkiye to obtain the appropriate opinions and permissions. It has been decided to apply to and authorize the Management to carry out all kinds of work and transactions necessary for the implementation of this resolution.

Our application for the amendment planned for Article 3 of our Company's Articles of Association, which is the subject of our material event disclosure dated December 30, 2024, was approved by Capital Markets Board's letter dated January 27, 2025 and numbered E-29833736-110.03.03-66880. The approved amendment provision is attached.

Immediately afterwards, our application to the Ministry of Commerce General irectorate of Domestic Trade, requesting a favorable opinion on the amendment of the articles of association, was approved by the letter of the Ministry of Commerce dated February 10, 2025 and numbered E-50035491-431.02-00106063234.

The draft amendment to the Articles of Association will be submitted to the approval of our shareholders at the 2024 Ordinary General Assembly meeting.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT FOR 2024

SECTION I- STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRICINCIPLES

Capital Market Board ("CMB") made certain Corporate Governance Principles mandatory for the companies quoted in the Borsa Istanbul (BIST) with the "Corporate Governance Communique" on the basis of Article 17 of Capital Market Law No 6362 of 06.12.2012, and Corporate Governance Communique No II-17.1 of 03.01.2014. To this end, it is exactly decided to ensure compliance with the mandatory requirements of CMB. Our works are continuing to ensure the compliance with non-mandatory requirements of relevant communique.

The established Committees of the Board of Directors actively carry out their tasks. Committee working principles were announced on the website. Committee chairmen were formed amongst the independent members of the Board of Directors while independent member candidates are in majority in the committees. Three weeks prior to the General Assembly, information document, meeting agenda, annual report, résumés of the member candidates for the Board of Directors and other information to be announced were submitted to the information of the investors and shareholders. Related party transactions were submitted to the information of the Board of Directors, and by getting the approval of the independent members of the Board of Directors a decision was taken to continue the transactions. The website and annual report of our Company were revised and updated. A report for common and continuous transactions was issued for 2024 and published on the Public Disclosure Platform (PDP) upon the Board's decision. Independence of the independent members of the Board of Directors was examined, and new candidates were presented by the Nomination Committee to the Board of Directors. Within the scope of the sustainability activities, the first comprehensive sustainability report was released in 2017 and the seventh report was released for 2023. Sustainability reports are made available to shareholders and stakeholders on the Kerevitaş investor relations website.

In 2024, efforts for compliance with the corporate governance principles were undertaken in accordance with the Capital Markets Law which covered the regulations of the CMB on the Corporate Governance Principles and with the communiqués issued on the basis of this law. During the year, our Company’s website and annual report were reviewed and the necessary revisions were made to achieve full compliance with the principles. In this context, in the annual report, the issues that have been complied with as regards the principles in the Sustainability Principles Compliance Framework, which was put into effect with the amendment made to the CMB Corporate Governance Communiqué, have been comprehensively explained, and the assessments for the principles that have not yet been fully complied with are included in the Statement of Compliance with Sustainability Principles.

Although full compliance with non-compulsory Corporate Governance Principles is aimed, full compliance has not yet been achieved due to reasons such as difficulties in practice in some of the principles, and some principles do not fully match the existing structure of the market and our Company. Work on the principles that have not been put into practice yet are in progress and it is planned to be implemented after the completion of administrative, legal and technical infrastructure Works in a way that will contribute to the effective management of our Company.

The reasons for non-application of those Corporate Governance Principles are provided below:

The reasons for the Corporate Governance Principles that have not yet been implemented are listed below:

• No model or mechanism was created for the stakeholders to participate in the management. However, the independent members of the Board of Directors make sure that the Company and shareholders, as well as all stakeholders, are represented in the management. The Company takes into account the opinions and suggestions of employees, suppliers, various non-governmental organizations and all other stakeholders.

• Some of the Board Members hold office in multiple committees.

• As per Article 4.6.5 of the "Corporate Governance Principles," the remuneration of the members of the Board of Directors and executive senior managers as well as all other benefits granted are publicly announced via Annual Report. However, the announcement is not made on a personal basis but made to indicate the differentiation between the Board of Directors and executive senior managers.

• There is no provision in the Articles of Association as an individual right that enables to request a special audit from the General Assembly to shareholders. TCC (Turkish Commercial Code) and CMB (Capital Markets Board) regulations on the appointment of a special auditor are deemed sufficient. In line with the provisions of the Turkish Commercial Code dated July 1, 2012, with no. 6102, each shareholder's right to request a special audit is protected.

Although the principles in exceptional nature, that have not yet been implemented, has not yet led to any conflict of interest among stakeholders, they are planned to be implemented as part of a process.

As required by the CMB Decision No 2/49 of 10.01.2019, Corporate Governance Compliance Reporting No II-17.1 will be made over KAP platform using Corporate Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. You can find relevant reports on https://www.kap.org.tr/en/sirket-bilgileri/ozet/4028e4a1416e696301416ec5743e289d

The Corporate Governance practices of Kerevitaş shall continue within the frame of Corporate Governance to operate the mechanisms better and improve corporate governance practices including voluntary principles which have not been applied yet.

SECTION II – SHAREHOLDERS

2.1 Investor Relations Department

All relations between Kerevitaş and its shareholders are carried out under the responsibility of the "Investor Relations Departmant" as a result of the joint work carried out with the relevant units.
Investor Relations Department is in charge of regularly informing the shareholders and prospective investors about the Company's activities, financial condition and strategies, excluding confidential information and trade secrets, without causing any information inequality, and it is also responsible for ensuring a two-way communication between the Company's management and the shareholders by obtaining opinions from other units when necessary and

ensuring coordination. The Investor Relations Department informs the Corporate Governance Committee at least four times a year about the activities carried out to be communicated to the Board of Directors.

In order to inform shareholders and investors, Yıldız Holding analyst meeting was attended in November 2024, and investor meetings were also held according to the demands. For the first time in Kerevitaş's history, an analyst meeting was held at our Çamlıca Campus in December 2024. The Company's corporate website (https://www.kerevitas.com.tr/en) is available in two languages, Turkish and English. The Company's material event disclosures can be accessed via Public Disclosure Platform or the Company's investor relations website. Copies of the Company's presentations are also available on the investor relations website in Turkish and English. Quarterly financial results, as well as annual reports in Turkish and English, are also available on the website.

Metin DOĞANAY, who serves as Investor Relations Department Manager and Corporate Governance Committee Member in accordance with the provisions of the Capital Markets Board's "Corporate Governance Communiqué" numbered II-17.1, holds Corporate Governance Rating and Capital Market Activities Level 3 License. During the period, shareholders' applications and questions were answered without discrimination by phone, e-mail or one-on-one meetings.

Investor Relations Department is responsible for the creation of the Company Information Policy and the adoption of this policy within Kerevitaş.

Main activities of the unit include:
•Ensuring that shareholders' records are reliable, secure and up to date,
•Answering shareholders' written information requests about the Company – apart from those that interfere with trade secrets and that are not publicly announced,
•Ensuring that the General Assembly Meeting is held in conformity with the applicable legislation, the Articles of Association, and other internal regulations of the Company and delivering the necessary documents to the shareholders,
•Communicating all necessary special circumstances disclosures to all investors via Borsa Istanbul, CMB and Public Disclosure Platform (KAP) by also considering the Material Events Communique of CMB.
•Keeping up-to-date with legislative amendments, informing relevant units about them,
•Carrying out the works as part of the Public Disclosure Platform and Central Registration System applications, overseen by Capital Market Board, as well as Corporate Management Principles.
The Investor Relations Department is carried out by the Investor Relations and Risk Management Department working within Kerevitaş Financial Affairs Directorate. Information about our Company's responsible managers regarding relations with shareholders is provided below:

Metin DOĞANAY – Investor Relations and Risk Management Manager
Tel: 0216 524 23 95

Ufuk KASAR – CFO
Tel: 0850 209 18 31
E-mail adress: yatirimci@kerevitas.com.tr

2.2 Shareholders' Right to Information

In terms of exercising the shareholder rights, the Company complies with the legislation, Articles of Association and other in-house regulations, measures are taken to ensure the exercise of these rights, and all shareholders are treated equally. The main purpose of the Company is to ensure that the shareholders' right to obtain information are fulfilled fairly and completely. In addition, the Company fulfills the rights of the shareholders arising from the partnership completely and as soon as possible. No discrimination is made between shareholders regarding the exercise of the right to obtain and review information on our Company. Every shareholder has the right to receive and review information.

Except for information considered either commercial secret or insider information, all written requests from our shareholders for information within the period were met. We provided our shareholders with all the information as required under their rights as shareholders via the annual report, material disclosures, and replies to individual inquiries.

The principles regarding the process run by Kerevitaş to provide information to our shareholders in conformity with legal regulations, and the detailed information about the manner, frequency and methods of providing information to the shareholders, is available in “Kerevitaş Information Policy.” Current Information Policy text is available for shareholders at our Investor Relations part of website.

Article 16 of the Articles of Association provides information on the procedures and principles for the audit of company. No request has been received from the shareholders for the assignment of private auditor in 2024.

2.3 General Assembly Meetings

Pursuant to Article 1527 of the Turkish Commercial Code No. 6102 dated January 13, 2011, which stipulates that online participation in general assembly meetings of joint-stock companies, making proposals and statements online, and online voting shall have the same legal effects in all aspects as participating and voting in any general assembly meeting in person; and that all companies traded on the stock exchange are required to set up and maintain a system allowing online participation in general assembly meetings and voting; the online general assembly convenes on the same date and with a parallel agenda as the physical general assembly.

Extraordinary General Assembly Meeting with the Agenda of Board Member Election

The Extraordinary General Assembly meeting of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. was held on April 26, 2024, at 11 am at the address Kısıklı Mahallesi Ferah Caddesi No: 1 Büyük Çamlıca Üsküdar-ISTANBUL under the supervision of the Ministry Representative Ms. Nuran DEVRİM, who was assigned with Istanbul Provincial Trade Directorate’s letter no. 96159196 dated April 25, 2024.

The invitation to the meeting was made in due time, as stipulated in the Law and Articles of Association and including the agenda, by being announced in the Turkish Trade Registry Gazette dated March 15, 2024 and numbered 11044, and on the Company's official website

https://www.kerevitas.com.tr/en and on the Public Disclosure Platform, as well as by notifying the meeting day and agenda.

The minutes and agenda items of the General Assembly were published on the Public Disclosure Platform (https://www.kap.org.tr/en/) and https://www.kerevitas.com.tr/en website.

The resolutions adopted at the Extraordinary General Assembly Meeting of our Company held on April 26, 2024, were registered by the Istanbul Trade Registry Office on May 16, 2024, and announced in the Turkish Trade Registry Gazette No. 110083.

Ordinary General Assembly Meeting For The Year 2023

The Ordinary General Assembly meeting for the year 2023 was held on July 25, 2024, at 11 am at the address Kısıklı Mahallesi Ferah Caddesi No: 1 Büyük Çamlıca Üsküdar-ISTANBUL under the supervision of the Ministry Representative Mr. Yılmaz AKBAŞ, who was assigned with Istanbul Provincial Trade Directorate's letter no. 99046305 dated July 23, 2024. The invitation for the General Assembly, which stated the date and agenda of the meeting envisaged by the law and articles of association, was published in due time in the Turkish Trade Registry Gazette no. 11112 dated July 1, 2024, and at the Company's corporate website https://www.kerevitas.com.tr/en and on the Public Disclosure Platform at least three weeks before the date of the General Assembly by indicating the date and agenda of the meeting.

The minutes and agenda items of the General Assembly were published on the Public Disclosure Platform (https://www.kap.org.tr/en/) and https://www.kerevitas.com.tr/en website.

The resolutions adopted at the Ordinary General Assembly Meeting of our Company held on July 25, 2024, were registered by the Istanbul Trade Registry Office on July 31, 2024, and announced in the Turkish Trade Registry Gazette No.11133.

2.4 Voting Rights and Minority Rights

The voting procedure at General Assembly meetings is announced to shareholders at the beginning of the meeting. The Company avoids practices that complicate exercising to exercise voting rights and provides every shareholder, including those who reside abroad, with the opportunity to exercise their voting rights in the easiest and most convenient way, either physically or electronically. There is no privilege in the Articles of Association regarding the exercise of voting rights in the Company. Each share is entitled to one vote. There is no legal entity that is a subsidiary of the Company among the shareholders of the Company. There is no provision in the Articles of Association preventing a non-shareholder from voting by proxy. Shareholders representing minority shares form the management together with the majority shareholders through their participation in the General Assembly. In 2024, no criticism or complaint was received by the Company in this regard.

According to Article 411 of the Turkish Commercial Code, shareholders constituting at least one twentieth of the capital may request the Board of Directors to call the General Assembly for a meeting or to add an item to the agenda.

According to the Articles of Association, each share carries the right to one vote. Any shareholder, who is entitled to attend General Assembly meetings, may attend the meetings via electronic communication means in accordance with Article 1527 of the Turkish Commercial

Code. Pursuant to the Regulation on the General Assembly of Joint Stock Companies to be Held via Electronic Means, the Company may set up an electronic General Assembly system or procure any system developed for this purpose so that shareholders are able to attend, express their views, make suggestions, and cast their votes via electronic communication means. Pursuant to the relevant provision in the Articles of Association, shareholders, and their proxies are allowed to exercise their respective rights at any General Assembly meeting, under the referenced regulations via the electronic system.

The Company does not grant any privileges to share groups or other shares. None of our shareholders controls, or is controlled by, the Company. Cumulative voting is not practiced in the Company.

The Articles of Association do not contain any provision prohibiting voting by proxy, who is not a shareholder of the Company.

In order to carry out a significant transaction, a board of directors decision must be taken to determine the principles of the transaction and this transaction must be approved by the general assembly. The provisions of the Turkish Commercial Code and Capital Markets legislation apply to the quorum in these meetings.

2.5 Dividend Rights

Company has a specific and consistent dividend policy in accordance with the Turkish Code of Commerce, Capital Market Board, tax laws, and other applicable legislation, as well as the Company's Articles of Association. This policy is presented to shareholders for approval at the general assembly meeting, provided in the activity report, and publicly made available on the website of the Company.
Dividend Distribution policy of our Company is defined by considering the our Company's strategies, operational performance and financial status, and market developments in accordance with the provisions of Turkish Code of Commerce, Capital Market Legislation, Tax Legislation and other applicable legislation, as well as article of our Articles of Association concerning the dividend.

Our Company adopts the policy of distributing minimum 10% of the net distributable period profit as dividend in the form of cash and/or bonus share for each account year with the proposal of Board of Directors, and approval of General Assembly, subject to the changes that may be made by them, and the applicable legislation in Türkiye, by also considering the cash flow requirements of the company.

The profit distribution proposal of our Board of Directors, also specifying the details as required by the dividend policy, regulations of Capital Market Board, and the Corporate Governance Principles is made publicly available on the website of our company and Public Disclosure Platform.

This policy is subject to annual review of Board of Directors to consider any changes in the national and global economic conditions, and current projects and company's financial resources.

Dividend Distribution policy observes a balance between interests of the shareholders and interests of the company. In line with the dividend distribution policy of the Company, profits are distributed to entire shares as of the distribution date. Our company does not have dividend advance application in place.

2.6 Transfer of Shares

Our Articles of Association does not have provisions that prevents shareholders from transferring their shares freely, or restricts the share transfer.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1 Corporate Website and Its Contents

Our company website is available both in Turkish and English at https://www.kerevitas.com.tr/en Furthermore, the company's investor relations website is available in Turkish and English at https://www.kerevitas.com.tr/en/investor-relations/investor-relations . The following information is available at the company website for the purpose of disclosure to our shareholders:

- Information About Company
- Information About Board of Directors
- Corporate Documents (Committees' Duties and Working Principles, Policies, Articles of Association, Share Issuance Documents, Ethical Principles, Sustainability Commitee Duties and Working Principles)
- Financial Statements and Footnotes
- Annual and Interim Reports
- Investor Presentations
- Sustainability Reports
- Material Events Disclosures
- General Assembly Details
- Company's Shareholding Composition
- Trade Registry Information and Company Profile

3.2 Annual Report

Company's annual and interim reports are prepared in such detail so that shareholders and public can access full and accurate information about the activities of the Company in accordance with the Corporate Governance Principles as defined in the Serial: II-17.1 "Corporate Governance Communique" as well as the legislative requirements.

SECTION IV – STAKEHOLDERS

4.1 Informing Stakeholders

The term stakeholders related to the Company is used to refer to third parties who have a direct relationship with the Company. Stakeholders are informed about issues that concern them by inviting them to meetings or using telecommunication means when necessary. The Company respects and protects the rights of stakeholders that they have obtained through legislation and mutual agreements and contracts, taking into account that cooperation with stakeholders will benefit the Company in the long term. The corporate governance structure of the Company

enables all stakeholders, including employees and representatives, to communicate their concerns regarding unlawful and unethical actions to the management.

In the event there is not any regulation in-laws or contracts regarding the rights of stakeholders, the Company endeavors to protect their rights in good faith and within means available to the Company with due consideration given to the reputation of the Company. Furthermore, Company employees may access the circulars and announcements through our internal portal, and important announcements are disseminated to all of our employees promptly via e-mail.

There are no restrictions that prevent stakeholders from contacting the Corporate Governance Committee or the Audit Committee about any Company transactions they deem either unethical or contrary to regulations. Stakeholders may contact these committees by any communication means they prefer.

4.2 Participation of Stakeholders in Management

According to Articles of Association, Board of Directors is composed of minimum five and maximum seven members, which are selected by General Assembly upon the proposal of various shareholders in line with the provisions of Articles of Association. Board of Director is composed of six members, two of whom are independent members. Although there are no studies on the participation of stakeholders in management, the Company takes into account the opinions and suggestions of employees, suppliers, various non-governmental organizations and all other stakeholders.

Stakeholders are informed through regular meetings.

4.3 Human Resources Policy

Company has created a human resources policy which is effectively in place. In this respect, recruitment policies, career planning, personnel development and training policies, etc. are implemented under the Personnel Regulation. The human resources policies adopted by our company are available at https://www.kerevitas.com.tr/en/human-resources/human-resources-policy

All rights of the Company personnel are taken under assurance so that they will not be exposed to any discriminative practices or harsh treatments. There is no complaint in terms of discrimination lodged against the human resources policy of Company in place.

In addition, Kerevitaş Diversity and Inclusion Policy was published in 2024, and the relevant policy is available at https://www.kerevitas.com.tr/documents/kerevitas-diversity-and-inclusion-policy-en.pdf

The main criteria forming the policy of Company's Human Resources Policy include:
- To assess performance of all personnel, and handling the success criteria in parallel with these assessments,
- To ensure a transparent management,
- To maintain easy access to management,
- To ensure personnel have convenience to express and share their ideas,

▪ To attach importance to the job discipline,
▪ To ensure all personnel work in a team spirit.
▪ To guarantee equal opportunity among the successful personnel in terms of training, benefits, remuneration and career,
▪ To organize social activities.

4.4 Ethical Rules and Social Responsibility

Carried out with the responsibility, service awareness and experience as a requirement of food industry, the social responsibility activities are geared towards contributing value to the social needs in the highest level and quality. In this respect, all measures for the prevention of the environmental pollution that may arise from the production activities have been put in place, including the treatment facilities which meet the legal requirements. In addition, internship requests from secondary and higher education institutions as a required by Turkish education system are being satisfied to the maximum level with the awareness of importance of high-quality qualified workforce. Ethical rules adopted by Yıldız Holding are implemented throughout holding members including the Company, which are made available to the shareholders on the website in accordance with the information policy.

SECTION V - BOARD OF DIRECTORS

5.1 The Structure and Composition of the Board of Directors

The members of the Board of Directors are determined in a way that allows them to work efficiently and constructively, make quick and rational decisions, and organize the work of the committees effectively. Prior to the General Assembly, the member's resume and his/her duties outside the Company are also submitted for the consideration of the shareholders. The resumes of the members of the Board of Directors are included in the Annual Report. The Board of Directors of our Company carries out its activities in a transparent, accountable, fair, and responsible manner in compliance with all the Corporate Governance Principles and the procedures and principles related to its structure, duties, management rights, and representation powers are governed by the Company's Articles of Association. The Company's Board of Directors has a one-tier board structure and all Board members have easy access to information about the Company and its management.

Our Board of Directors consists of at least 5 members in accordance with our Articles of Association. Our Board of Directors currently consists of six members in total, including a Chairman, a Deputy Chairman, and four members, two of whom are independent members.

The required qualifications of the Company's Board Members coincide with the relevant articles in the Corporate Governance Principles. Members of the Board of Directors are selected from people who have basic knowledge of the legal principles regulating transactions and dispositions related to the Company's field of activity, are trained and experienced in company management, and have the ability to analyze financial statements and reports. Two of the members of the Board of Directors were elected among the individuals who are qualified as independent members, determined in accordance with the Capital Markets Board's Corporate Governance Principles and regulations on corporate governance. Declarations of independence of the independent Board members were received prior to their appointment and these declarations remain valid. As of the relevant activity period, there is no situation that eliminates independence.

The term of office of the members of the Board of Directors is three years. If a membership is vacated for any reason, at its first meeting, the Board of Directors elects a new member and submits him/her for the approval of the General Assembly. This member completes the term of office of the leaving member. While the powers of the Chairman/members of the Board of Directors and Company executives are defined in the Company's Articles of Association, no one in the Company has unlimited decision-making authority alone.

Board of Directors include executive and non-executive Members. Most of the Board Members consists of non-executive member. Non-executive Board Members include the Independent Members who satisfy the criteria set by Capital Market Board regulations, are qualified to carry out his/her tasks without any influence, can spare time to Company affairs sufficient to follow up the activities and to completely fulfill the requirements of the role he/she assumes.

Pursuant to the Corporate Governance Principles, our Company is required to have 2 independent members on the Board of Directors. Since the Corporate Governance Committee can fulfill the duties of this committee if a separate Nomination Committee cannot be established due to the structure of the Board of Directors under the relevant regulations, the Corporate Governance Committee evaluated the nominations of candidates for independent membership, including the management and shareholders, by taking into account whether the candidates meet the independence criteria, and submitted its evaluations to the Board of Directors for approval. Independent Board Member candidates submitted their written declarations of independence within the framework of the criteria set forth in the legislation, Articles of Association, and communiqué to the Nomination Committee at the time of their nomination.

The written declarations of all independent members stating that they are independent within the framework of the criteria outlined in the legislation, Articles of Association, and communiqué are included in the corporate governance section of the annual report. In 2023, no situation arose that eliminated the independence of the independent members serving as a member of the Board of Directors. Article 4.3.4 of the Corporate Governance Communiqué stipulating that the number of independent members in the Board of Directors cannot be less than one-third of the total number of members has been fully complied with and the target number of independent members specified in the communiqué has been reached.

Chairman of the Board of Directors and Chief Executive Officer (CEO) are different persons with separate duties.

General Assembly approval is required for the Chairman and Board Members to carry out the Company activities in person or on behalf of others, and to partner with companies which carry out such activities under the relevant Articles of Turkish Code of Commerce.

Members of the Board of Directors of the Company as of the balance sheet date are listed below:

Name-Surname	Position	Office Term
Mehmet Tütüncü	Chairman	26.04.2024 – 26.04.2027
Ali Ülker	Vice Chairman	26.04.2024 – 26.04.2027
Şükrü Çin	Board Member	26.04.2024 – 26.04.2027
Fahrettin Günalp Ertik	Board Member	26.04.2024 – 26.04.2027
Füsun Kuran	Independent Board Member	26.04.2024 – 26.04.2027
Esra Kıvrak	Independent Board Member	26.04.2024 – 26.04.2027

DECLARATION OF INDEPENDENCE

Joint "declaration of independence" of Independent Board Members is provided below.

I declare that;
a)There is no relation of employment in executive positions to assume material roles and responsibilities for the past 5 years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;

b)In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed, and during periods where products or services were purchased or sold,

c)I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of being an Independent Member of the Board of Directors,

d)I do not work full-time in public institutions and organizations;

e)I am considered to reside in Türkiye pursuant to the Income Tax Law no. 193 dated 31.12.1960;

f)I have strong ethical standards, occupational reputation and experience to make positive contributions to the activities of the Company, to protect my objectivity in conflicts of interest between the bank stakeholders, and to decide independently considering the rights of the stakeholders,

g)I am able to allocate time for the corporation’s business to follow up on the activities of the corporation and duly fulfill the allocated duties;

h)I have not served as a board member of the Company for more than 6 years in the past 10 years;

i)I do not serve as an independent member of the board of directors in more than three companies, at which Company or its shareholders who possess Company's management control have management control, and in more than five companies in total that are publicly traded,

j)I have not been registered and announced on behalf of the legal person elected as the Board Member.

5.2 The Working Principles of the Board of Directors

Under normal circumstances, the Board of Directors meets at least four times a year to make strategic evaluations about the Company's activities and to evaluate the developments in the period between two meetings. In these meetings, Kerevitaş Gıda Sanayi ve Ticaret A.Ş. Strategic evaluations were enabled by obtaining sufficient and transparent information regarding its strategies and activities; Additionally, members of the Board of Directors were regularly informed about the Company's performance and developments. The quorum for meetings and decisions is the absolute majority of the total number of members. The Board of Directors made 37 Board decisions throughout the year. The participation rate was 97% and independent Board members participated in all decisions taken. If there are different opinions and reasons for opposing votes expressed at the Board of Directors meetings, they are recorded in the decision minutes and in this case, the detailed reasons of the members who voted against are disclosed to the public. Since no such opposition or different opinion was expressed at the Board of Directors meetings held in 2024, no public disclosure was made and it was not forwarded to the auditors. Each member of the Board of Directors has one vote.

The Board of Directors convenes when the Company's business requires it. The place of the meeting is the head office of the Company. The Board of Directors meetings may convene at any other convenient place in or outside of Türkiye, subject to the Board of Directors' resolution. The agenda of the meetings of the Board of Directors is determined by notifying the Company's senior management and the members of the Board of Directors by the relevant departments of the issues that the relevant legislative legislation stipulates that they should be decided by the Board of Directors. In addition, the agenda of the meeting is also determined by notifying the Company's senior management of the necessity of deciding on an important issue by any member of the Board of Directors. The issues required to be discussed at the meeting of the Company's Board of Directors are gathered and consolidated and the agenda is determined.

The presence of the majority (50% and more) of the total number of members of the Board of Directors is required for a resolution to be adopted, without prejudice to the provisions of the Capital Market Legislation. Resolutions shall be adopted by a majority of votes of members present at the meeting. Meetings may be conducted through teleconference, video conference, or voice or video communication means and resolutions may be adopted upon signing the minutes related thereto. A resolution may be adopted without the need for a meeting in case that all of the members of the Board of Directors unanimously approved the resolutions by signing them. Board members who have the right to participate in the Board meetings can attend via an electronic environment as per Article 1527 of the Turkish Commercial Code. The Company may set up its own electronic meeting system, or subscribe to services from the systems formed by service providers for this purpose, that will enable the right holders to participate and vote at these meetings via electronic media pursuant to the provisions of the Communiqué Regarding Boards to be Convened via Electronic Media in Commercial Companies other than General

Assemblies of Joint Stock Companies. It shall be ensured in those meetings that the beneficiaries exercise their rights set forth in the provisions of the relevant legislation within the framework of relevant Communiqué of the Ministry through the system set-up or through the system from which support will be received under this provision of the Articles of Association.

In cases where the meetings of the Board of Directors are held electronically, the provisions of the Articles of Association regarding the meeting quorums are applied exactly as they are. In 2024, the Board of Directors monitored the meeting minutes and reports of the Audit Committee, Corporate Governance Committee and Risk Committee. No related party transactions or other transactions of significant nature were submitted to the approval of the independent Board members during the year. Any material information which must be disclosed to the public is promptly disclosed after the end of each meeting. Material resolutions of the Board of Directors are disclosed to the public via PDP and these material event disclosures are posted on the corporate website in Turkish and English.

5.3 The Number, Structure and Independence of the Committees Established by the Board of Directors

Corporate Governance Principle No. 4.5.1 stipulates that an Audit Committee, a Corporate Governance Committee, a Nomination Committee, an Early Detection of Risk Committee, and a Remuneration Committee should be established in order to fulfill the duties and responsibilities of the Board of Directors in a healthy manner; however, if a separate Nomination Committee and a Remuneration Committee cannot be established due to the structure of the Board of Directors, the Corporate Governance Committee may fulfill the duties of these committees. Audit Committee, Corporate Governance Committee and Early Risk Assessment Committee were established by the Board of Directors. The established committees of the Board of Directors actively carry out their tasks. Committee chairs are elected from among the independent members of the Board of Directors. Independent members assume tasks in multiple committees. Committees generally convene a few days before, or on the same day as, Board of Directors' meetings. Working principles of the committees formed under the umbrella of the Board of Directors were prepared, and necessary arrangements were put in place regarding the monitoring of such principles by relevant units. The working principles of the committees are available on the Company's corporate website.

The duties of the Remuneration and Nomination Committees are also fulfilled by the Corporate Governance Committee in accordance with the Corporate Governance Principles.

In 2024, all the committees of the Board of Directors fulfilled their duties and responsibilities within the scope of the Corporate Governance Principles and their working principles and convened in accordance with their working plans. During the operations of the Committee, the opinions of the Company executives and the independent auditor were also obtained when necessary. The committees presented their reports on their activities and the results of their meetings held during the year to the Board of Directors. The Board of Directors believes that the expected benefit is obtained from the works of the committees of the Board of Directors. Among our board of directors and committee members, there is no member who owns more than 5% of the company capital.

5.3.1 Audit Committee

Audit Committee is responsible for assisting the Board of Directors in their oversight of the quality and accuracy of the Company's financial statements and related disclosures, the implementation and effectiveness of the Company's accounting system, the qualifications and independence of independent auditors, the selection of the independent audit firm, the approval and review of the contract between the independent auditor and the Company, the operation and effectiveness of the Company's independent audit system, and the implementation and effectiveness of the Company's internal audit. The Audit Committee consists of at least two members elected by the Board of Directors from among the independent Board members.

The Audit Committee meets four times a year, at least once every three months. All members of the Audit Committee were elected among independent board members. This committee was formed by two members, Füsun KURAN was appointed as the Chair and Esra KIVRAK was appointed as the member. The Audit Committee, which was established within the Company in order to monitor the operation of the accounting and reporting systems within the framework of the relevant laws and regulations, the public disclosure of financial information, the operation and effectiveness of the independent audit and internal control system, held 4 meetings in 2024 and the participation rate in these meetings was 100%.

5.3.2 Corporate Governance Committee

In accordance with the Corporate Governance Principles published by the Capital Markets Board, a Corporate Governance Committee has been established within the Company to monitor the compliance of the Company, to carry out improvement activities in this regard and to present suggestions to the Board of Directors. The duties of the Nomination Committee and the Remuneration Committee are also carried out by the Corporate Governance Committee. Independent board member Esra KIVRAK was appointed as the Chair of the Corporate Governance Committee, and independent board member Füsun KURAN and Investor Relations and Risk Management Manager Metin DOĞANAY were appointed as members. The committee meets as often as required by the task assigned to it, and held four meetings in 2024, and the participation rate in these meetings was 100%.

The Corporate Governance Committee also has the right to hire a consultant to assist in fulfilling its duty in determining the remuneration of senior management and board members. The Committee also aims to increase the diversity of the Board of Directors in other areas such as geography, age, race, gender and ethnicity.

In 2024, the Corporate Governance Committee evaluated the Company's corporate governance practices and the Corporate Governance Principles Compliance Report and also presented information to the Board of Directors on the activities of the Investor Relations Unit. In addition, the Corporate Governance Committee, which also serves as the Nomination Committee and the Remuneration Committee, has worked on the effectiveness of the Board of Directors' work, the nomination of independent Board member candidates, and the benefits provided to Board members and senior executives. Detailed information on the duties, responsibilities, and working principles of the Corporate Governance Committee is available on the Company’s website.

5.3.3 Early Detection of Risk Committee

The Early Detection of Risk Committee, which operates under the Board of Directors, is responsible for
•Early detection of strategic, operational, financial, compliance/legal, and any other risks that may jeopardize the existence, development, and sustainability of the Company in a systematic manner,

•Assessment of the impacts and probabilities of the identified risks within the framework of the Company's corporate risk-taking limits,

•Establishing an effective corporate risk management system to prioritize the risks whose assessments have been completed and to create the action plans needed to reduce their impact and/or probability, monitoring such risk management activities to ensure their effectiveness and development, and reporting them periodically to the Board of Directors.
The Early Detection of Risk Committee consists of at least two independent non-executive members of the Board of Directors. The Chief Executive/ General Director may not assume duties in the committees. The committee convenes six times in a given year at maximum, no less than once every two months. The meetings of the Committee may be held with members attending in person or via technological communication means. The timing of the committee meetings is in accordance with the board meetings to the extent possible. Independent board member Esra KIVRAK was appointed as the Chair of the Corporate Governance Committee, and independent board member Füsun KURAN was appointed as the member. As a result of its bimonthly meetings, the Committee is obliged to submit to the Board of Directors a report on the findings and suggestions it has reached in relation to its duties and responsibilities. The Early Detection of Risk Committee met six times in 2024 and the participation rate in these meetings was 100%. Reports containing the committee's opinions and comments were presented to the Board of Directors.

5.4 Risk Management and Internal Control Mechanism

Internal Control

Kerevitaş has established an internal control system to effectively manage its operations, minimize risks, and achieve its targets. This system is designed to protect the integrity of the Company's assets and information, increase operational efficiency, and ensure compliance with legal regulations. The internal control system is regularly evaluated in areas such as operational processes, financial reporting, risk management, and compliance by the Internal Audit Department established within Yıldız Holding. In addition to analyzing and evaluating the internal control systems, the Internal Audit Department also provides improvement suggestions to Kerevitaş' senior management. The Internal Audit Department shares the results of its activities with the Kerevitaş Audit Committee four times a year.

Risk Management

Risks identified through risk management processes are systematically monitored and measured using quantitative and qualitative measurement criteria in line with written risk policies in accordance with international standards and the Company's corporate risk appetite within the scope of risk management strategies that are vital for the Company's sustainable performance.

These processes both increase transparency and ensure a more systematic assessment of risks in investment and operational decisions.

The Investor Relations and Risk Management Department, which operates under the Financial Affairs Directorate, carries out its activities in order to identify all kinds of risks that may jeopardize the existence, development, and continuity of the Company and that affect the decisions to be adopted or have already been adopted within the scope of the Company's activities, together with the risk owners, to plan and implement the necessary measures and actions, to ensure that the risks are managed in a coordinated manner within a management system, to review them, and to report them to the Senior Management. Senior executives are responsible for the management of risks related to their business functions or organizations, and for taking and monitoring the necessary actions to mitigate the impact and probability of such risks within the framework of action plans. Kerevitaş Early Detection of Risk Committee carries out, on the other hand, the activities for establishing the corporate risk management system implemented throughout the Company, ensuring its development, observing and monitoring its effective functioning, and reporting it to the Board of Directors.

5.5 Strategic Goals of Company

To be a company that, first of all, respects customers, where personnel from every level participates in the management, adopting the continuous and widespread training, respecting the laws and environment, that is progressive, innovative keeping abreast with the technological development in its industry, committed to continuously improve quality/HACCP Management System without compromising quality and food safety under any circumstances. To reinforce its leadership position in the industry by identifying and meeting the demands and expectations of the customers in the best manner possible. The policies and goals are necessary to achieve this goal, requiring all personnel in every unit and level work in full compliance with Quality/HACCP Management System. The target of the company is to do its entire business meticulously in every stage from sourcing of the raw materials up to the points where the end products are delivered to the customers. In entire process from seed to the table, its first priority is to contribute value to all its stakeholders.

Company aims at launching digitalization projects in order to be leader pioneering in ways of doing business and digitalization in the industry, to ensure continuous growth and success, for continuous development, to translate business strategies into practice in the fastest and best manner, to do business with lower cost and higher efficiency, to make the lives of stakeholders, customers, consumers and personnel easier, add value to them and earn their hearts.

Company sets long-term goals for itself, as well as devise three-year strategic plans and annual budgets in parallel with these goals. Performance assessments are conducted according to the predefined goals at the end of every activity period.

5.6 Financial Rights

The remuneration principles of our company's executive directors are documented, which is presented to shareholders for their information as a dedicated agenda item at the Ordinary General Assembly meeting held on July 20, 2019, and also published as part of activity report of Company on the corporate website. No benefits are made available to the Chairman and Board

Members, other than the remunerations and attendance fees defined by General Assembly. The remunerations of Board Members are determined by General Assembly separately for each of them by considering the financial position of the Company. At the Extraordinary General Assembly dated April 26, 2024, it was decided to pay a net monthly fee of 34,000 TL to the Independent Board members separately, and not to pay any fees to the other members of the Board of Directors. No lending is made to Board Members and director, no credit in the form of personal credit is extended to them directly or via a third party, as well as no guarantee such as surety is furnished in their favor.

DECLARATION OF COMPLIANCE TO SUSTAINABILITY PRINCIPLES

With the Communiqué on Amendment (II-17.1.a) of the Communiqué on Corporate Governance (II-17.1) published in the Official Gazette dated October 2, 2020; partners subject to Corporate Governance Principles shall include the title of "Sustainability Principles Compliance Framework" in their reporting for the compliance to Corporate Governance Principles; and also provide information whether or not Sustainability Principles are implemented, and, if not, a reasoned explanation, as well as an explanation regarding the impacts on environmental and social risk management due to not fully complying these principles in their annual reports.

Kerevitaş complies with the principles published as part of the "Sustainability Principles Compliance Framework" of CMB through environmental, social and governance (ESG) policies that the Company has been sharing on its website as well as the Sustainability Reports disclosed to the public since 2017. Every year, the Company sustains and improves its activities in ESG. The details regarding the criteria mentioned in the principles and the performance data will be accessible in 2024 Sustainability Report to be published in July. Works are ongoing to share the related data in annual reports in the upcoming periods.

The goal is to achieve full compliance to the non-obligatory "Sustainability Framework Principles" and the criteria that are not included within the principles are explained below. Work on the principles that have not been put into practice yet are in progress and it is planned to be implemented after the completion of administrative, legal and technical infrastructure works in a way that will contribute to the effective management of our Company.

Environmental Principles

There is no carbon pricing system and carbon credit.
Renewable energy is not used; however, increasing the investments in this field is considered.
OKR Performance Management system is used in our company and ESG-related criteria are among the performance indicators of managers, it is aimed to share more detailed information on this subject.

Social Principles

Developments on human rights are not disclosed in detail; however, the issue will be improved in the upcoming periods.

Kerevitaş Sustainability Reports are published on the website: https://www.kerevitas.com.tr/en/investor-relations/sustainability

RISK MANAGEMENT POLICIES

In line with the corporate risk management framework, risks, which are identified and managed from an integrated perspective by taking into account their interactions with each other and root causes, are monitored under four main groups:

Strategic Risks: The risks that may arise as a result of failing to meet the expectations and needs of stakeholders within the framework of future-oriented expectations to the extent that may prevent the Company from achieving its objectives, or failing to adequately adapt to changes following significant regulations at both global and local levels. Risks that may arise as a result of changes in product demand, market regulations that may affect competition and market share, consumer/ stakeholder trends and expectations, and factors that may affect the business model are assessed under this heading. The product diversity is ensured by monitoring changes in consumer habits and expectations through periodically renewed stakeholder analyses and consumer surveys conducted in different areas, as well as with innovative products that focus on balanced nutrition and wellbeing trends. R&D activities are carried out within the framework of trainings, studies, and collaborations with various universities and research institutes to enhance the development of innovation culture within the organization. Significant/restrictive regulations regarding our geography of operation or the sector in which we operate are closely monitored, the possible effects of such changes on our Company are analyzed, and action plans are implemented proactively, thus managing our strategic risks more effectively.

Financial Risks: Liquidity risks that may arise from fluctuations in important indicators such as exchange rates, inflation, commodity prices, interest, etc. in financial markets, and risks that may arise from partial or total failure to fulfill financial obligations to our Company as a result of deterioration in the financial situation of third parties, etc. The exchange risk, liquidity risk, and interest rate risk are the primary financial risks of the Company. The relevant finance teams within the Company closely monitor a wide range of macro- and micro-level financial data and indicators and take the necessary measures to ensure that these financial risks remain within the limits of the Company's risk appetite.

Detailed explanations regarding financial risks are as follows:

Exchange Rate Risk: The Company is exposed to foreign exchange risk due to the changes in the exchange rates used in the conversion of foreign currency denominated assets and liabilities into Turkish Lira. Foreign currency risk arises from the difference between future commercial transactions, recognized assets and liabilities and the Company controls this risk with a natural hedge method by netting off foreign currency assets and liabilities. In addition to the natural hedging method, various financial derivative instruments are used when necessary to manage exchange rate risk more effectively.

Liquidity Risk: Within the framework of effective liquidity management, it is aimed to increase and maintain the sustainability of funding resources in sufficient quantity and quality in order to meet cash needs. Liquidity risk is managed by monitoring cash inflows and outflows, observing the compatibility of their maturities, managing inventories effectively, and maintaining an adequate level of cash and financial instruments convertible into cash.

Interest Rate Risk: The Company's borrowings at fixed and floating interest rates expose it to interest rate risk. The risk in question is managed by making an appropriate apportionment between fixed- and floating-rate borrows through interest rate swap agreements. Hedging strategies are regularly evaluated to ensure alignment with interest rate expectations and risk appetite. Thus, it is aimed to create an optimal hedging strategy, review the balance sheet position, and keep interest expenses at a controllable level in line with the Company's risk appetite at different interest rates.

Operational Risks: Risks that may arise from failure to carry out processes effectively or failed business processes arising from failure to design processes adequately efficient, infrastructural or technological problems, human errors, etc. Inefficiencies and/or disruptions that may arise in processes such as information security, technological infrastructure, business continuity, quality, human resources, procurement/logistics, purchasing, etc. are primary operational risks. Various preventive controls are included in business processes in order to protect information security systems from damage, protect from cyber-attacks, prevent data leakage by ensuring data integrity and security, and thus ensure business continuity. Internal and external audits and penetration tests are carried out periodically for information security. All employees are provided with mandatory information security trainings in order to raise awareness on the subject. Periodic internal and external audits are conducted at our production facilities to monitor compliance with international quality and food safety standards, while periodic risk analysis studies are conducted for our suppliers to assess their environmental, social, and ethical performance. A talent management process has been launched to identify and develop the competencies of employees, and within this framework, actions are taken for the individual development of employees, and their career plans are made. Online trainings, specialization programs, management trainings, and personal and professional development programs are offered to our employees in order to promote a culture of lifelong learning. Thus, it is aimed at managing our outstanding operational risks more effectively through the aforementioned practices.

Compliance Risks: These are the risks that the Company may be exposed to as a result of difficulties that may be encountered in complying with internal legislation, procedures, and principles, especially ethics and external legislation requirements that the Company is subject to, based on the region and sector in which it operates. In order to prevent potential compliance risks and manage them more effectively, we closely monitor all applicable national and international legislation, especially those related to competition, personal data protection, tax, and human rights. We have policies and an ethics hotline established to ensure that ethical principles, which are among our most fundamental values, are adopted in our entire business conduct and value chain, and we aim to manage compliance risks more effectively by providing regular trainings to our employees in order to raise awareness regarding these ethical principles. All employees are provided with corporate risk management trainings throughout the Company in order to raise consciousness on risk awareness and risk culture and to carry out corporate risk management activities more effectively.

The main risk projections that may pose an obstacle to the realization of our company strategies are periodically evaluated and the possible financial effects of these projections are monitored within the framework of scenario analyses, taking into account the variables determined. In line with these projections, the risks included in the risk inventory are periodically evaluated in terms of their impact and probability, and changes in these risks and the reasons for these changes are periodically reported to the Senior Management and the Early Detection of Risk Committee.

As a result of the assessments, if there are outstanding risks that are not included in the risk inventory, they are included in the risk inventory and the inventory is updated.

The risks prioritized as a result of periodic risk assessments are analyzed in detail with the risk management software within the framework of root cause analyses and accordingly, action plans are created to reduce the impacts and/or probabilities of these risks.

The Corporate Risk Management approach, which focuses on increasing risk culture and awareness throughout the Company, aims to manage risks;

• Related to uncertainties and potential events that may adversely affect the Company's strategies, in accordance with the Company's risk appetite and strategies,
• In a proactive and systematic way, based on projected developments and data,
• Within the framework of an integrated perspective, by taking into account the interactions of all risks with each other and their root causes.

In today's ecosystem, where economic and geopolitical developments are taking place at a dizzying pace, keeping pace with the changes in question and proactively monitoring and effectively managing the new risks that develop with these changes have become the critical success factors in achieving the Company's strategies. Especially in recent years, hot conflicts between states and exacerbated political tensions between various regional, economic, and political unions have increased geopolitical risks at the global level. These risks, which started with geopolitical tensions, had significant geo-economic consequences that led to a global increase in energy and commodity prices, particularly in inflation. Kerevitaş effectively manages geo-economic risks, particularly exchange rate, liquidity, and interest rate risks, which have been triggered by geopolitical developments and have recently gained more importance, within the framework of the holistic risk management approach described under the heading of financial risks, and continues to implement the necessary action plans and risk mitigation strategies. On the other hand, especially in the recent period, climate change and the climate crisis have started to be considered as a risk factor that directly affects the food sector as well as all other sectors, increasing its importance in terms of the sustainability of our activities. Kerevitaş, which focuses on a waste-free company model, implements the necessary strategies, policies, and targets to effectively manage sustainability risks that may arise from environmental, social, governance, and economic factors in order to be a leader in sustainability and create long-term value. In this respect, we continue our sustainability efforts, which we accelerated in 2017 and continue to carry out successfully, with efforts to prevent potential risks by evaluating sectoral and global trends and regulations, innovative approaches in this field, and the potential impact of these developments on our business processes within the framework of various scenarios. The potential impacts of climate-related physical risks and transition risks on our Company's operations are identified and detailed risk analyses (water stress, etc.) are carried out in order to effectively manage these risks. Thus, we prioritize our efforts to prevent/mitigate potential risks and seize relevant opportunities by including them in our strategic decision-making processes in order to build a more agile and resilient management system.

OTHER ISSUES REGARDING COMPANY OPERATIONS

•In 2024, the Company did not have any private audit whereas public audit was carried out by the Competition Authority and the Turkish Tax Inspection Board. Currently, no reports have been received by the Company regarding audit results.

•In 2024, no administrative or judicial penalty for any breach of Legislation provisions was given to our Company or the Members of the Board of Directors of our Company.

•The Company achieved the goals set for 2024 to a great extent.

•In 2024, there were no legal proceedings launched in the interest of the Company or measures taken or refrained to be taken in the interest of an affiliated company.

•There is no measure taken or refrained to be taken to the detriment of the Company in 2024.

•There is no lawsuit filed against the Company which may affect its financial situation and activities in 2024.

•There were no conflicts of interest between the Company and other institutions of investment advisory and rating agency, and no measures taken by the Company in order to prevent conflicts of interest.

•There are no legislative changes that could significantly affect the Company's activities.

•It has been evaluated whether the company's capital has become unreciprocated within the scope of Article 376 of the Turkish Commercial Code, and it has been concluded that the issued capital of Kerevitaş, which is 662,000,000 TL, is maintained with the equity attributable to the parent company, which is 11,810,085,736 TL as of December 31, 2024, and that the company's debt structure, with a Net Financial Debt/Equity Ratio of -10%, is conducive to the continuation of operations in a healthy manner.

•The duties of the Board Members and Executives outside the Company are available on the PDP website under "Company Management"
https://www.kap.org.tr/en/sirket-bilgileri/genel/1002-kerevitas-gida-sanayi-ve-ticaret-a-s

•No changes occurred in participation rates to the financial fixed assets, in which Kerevitaş directly participates, that reached or fell below the limits set out in the Turkish Commercial Code in 2024.

•According to the Communiqué on Material Transactions and Exit Right, a shareholder who owns a stake in the company, attends the general assembly meeting and casts a negative vote on an agenda item associated with the material transaction and have this opposition annotated in the minutes is entitled to sell his/her shares to, and exit, the company. The Company achieves alignment with the applicable requirements and the price for the exercise of exit right is determined in accordance with the CMB Law and applicable regulations. During the reporting period, no transactions were carried out which gave rise to exit right.