

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

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2024
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

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

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” 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. Key audit matters

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

Key Audit Matters	How the key audit matter was addressed in the audit
Fair value of building, land and investment properties	
As disclosed in the Notes 2.5, 10 and 11, the Group accounted its building, land and investment properties at their fair value as of 31 December 2024. The fair value of building, land and investment properties in consolidated financial statements is TRY 8,664,765,875 as of 31 December 2024, and TRY 2,969,414,572 was recognised under equity as a fixed assets revaluation surplus. Building, land and investment properties were valued at the fair value reflecting market conditions as of 31 December 2024 based on revaluation reports performed by independent licenced valuers. Fair values were determined based on a method comparing the existing price of comparable real estate which was leased out or sold and located near the real estate in question. Reasons why we focused on this topic are, significance of fair values in the consolidated financial statements and; their values were determined via estimations.	The technical competency and independence of the valuation companies that conducted the work was assessed by checking the relevant licenses, agreements and statements. The valuation works prepared were obtained, and audit works listed below was performed. The accuracy of the valuation method was checked against the usage purpose of relevant land, building and investment properties. Various values used in average comparable value calculations of lands, buildings and and investment properties by the valuation company were selected using the sampling method and compared with market values. Sensitivity of the estimations on the total value were assessed. Fair values in the valuation report were compared with the notes to assess if the values in notes and accounting records are consistent with the valuation report and the disclosure notes are sufficient in terms of TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Recoverability of trade receivables from third parties	
Trade receivables from third parties amounting to TRY 1,636,349,071 as of 31 December 2024 constitute a significant portion of the assets. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer - the amount of guarantees/collateral held, past collection performance, creditworthiness and aging of receivables. Therefore, recoverability of trade receivables is a key matter for our audit. Please refer to notes 2.5 and 6 to the consolidated financial statements for the Group's disclosures on trade receivables from third parties, including the related accounting policy.	Understanding the business process for collections from customers, Inquiries with management in relation to any disputes with customers and written inquiries with the Group's legal counsels on outstanding litigation in relation to trade receivables, Testing receivables from third parties, on a sample basis, by obtaining confirmation letters. Testing collections, on a sample basis, in the subsequent period. Assessing the adequacy of disclosures around recoverability of trade receivables from third parties in the consolidated financial statements.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 7 March 2025.

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

Mert Tüten, SMMM
Independent Auditor

Istanbul, 7 March 2025

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

CONTENTS	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6-7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	8-68
NOTE 1 GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	8-9
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	9-31
NOTE 3 SEGMENT REPORTING	32
NOTE 4 RELATED PARTY DISCLOSURES	33-36
NOTE 5 TRADE RECEIVABLES AND PAYABLES.....	37
NOTE 6 OTHER RECEIVABLES AND PAYABLES.....	38
NOTE 7 INVENTORIES.....	39
NOTE 8 PREPAID EXPENSES AND DEFERRED REVENUE	39
NOTE 9 INVESTMENT PROPERTIES	40
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	41-43
NOTE 11 RIGHT OF USE ASSETS	44
NOTE 12 INTANGIBLE ASSETS.....	44-45
NOTE 13 GOVERNMENT GRANTS AND INCENTIVES	46
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	46-47
NOTE 15 COMMITMENTS AND CONTINGENCIES.....	48
NOTE 16 PAYABLES RELATED TO EMPLOYEE BENEFITS	49-50
NOTE 17 OTHER ASSETS AND LIABILITIES	50
NOTE 18 CAPITAL, RESERVES AND OTHER EQUITY ITEMS	51
NOTE 19 REVENUE AND COST OF SALES	52
NOTE 20 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	52-53
NOTE 21 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	54
NOTE 22 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES.....	54
NOTE 23 FINANCIAL INCOME AND EXPENSES.....	55
NOTE 24 MONETARY GAIN LOSS.....	55
NOTE 25 INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	56-58
NOTE 26 EARNING PER SHARE.....	59
NOTE 27 BORROWINGS	59-60
NOTE 28 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	60-68
NOTE 29 CASH AND CASH EQUIVALENTS.....	68
NOTE 30 SUBSEQUENT EVENTS	68

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

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

		Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
	Notes		
ASSETS			
Current Assets		16,347,523,572	12,762,488,802
Cash and cash equivalents	29	2,108,994,836	64,100,708
Trade receivables	5	3,542,533,574	3,843,138,101
- <i>Trade receivables from related parties</i>	4,5	1,906,184,503	2,071,141,457
- <i>Trade receivables from third parties</i>	5	1,636,349,071	1,771,996,644
Other receivables	6	6,297,566,534	2,778,135,802
- <i>Other receivables from related parties</i>	4,6	6,092,683,811	2,580,657,548
- <i>Other receivables from third parties</i>	6	204,882,723	197,478,254
Inventories	7	3,592,855,827	4,848,965,553
Prepaid expenses	8	384,937,750	672,452,701
Current income tax assets		175,968,185	232,662,088
Other current assets	17	244,666,866	323,033,849
Non-Current Assets		11,453,459,179	10,516,870,648
Other receivables	6	2,448,615	5,590,153
- <i>Other receivables from third parties</i>	6	2,448,615	5,590,153
Investment properties	9	2,685,026,012	1,916,994,393
Property, plant and equipment	10	8,061,858,312	7,805,942,885
Right of use assets	11	47,065,564	50,601,473
Intangible assets	12	295,842,920	335,864,354
Prepaid expenses	8	19,387,149	31,778,264
Deferred tax assets	25	341,830,607	370,099,126
TOTAL ASSETS		27,800,982,751	23,279,359,450

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

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

		Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
	Notes		
LIABILITIES			
Current Liabilities		11,801,857,056	9,970,064,559
Short-term borrowings	27	3,926,928,114	3,029,874,296
- Bank loans	27	3,846,054,538	2,956,155,645
- Lease liabilities	27	80,873,576	73,718,651
Current portion of long-term financial liabilities	27	110,407,200	248,319,418
Trade payables	5	5,010,378,535	5,732,199,887
- Trade payables to related parties	4,5	60,676,089	52,090,857
- Trade payables to third parties	5	4,949,702,446	5,680,109,030
Other payables	6	1,494,748,364	144,714,050
- Other payables to related parties	4,6	1,494,746,539	144,544,040
- Other payables to third parties	6	1,825	170,010
Payables related to employee benefits	16	152,725,838	120,207,725
Deferred income	8	119,508,717	129,476,910
Current income tax liabilities	25	683,101,577	181,826,275
Short-term provisions		206,046,640	218,322,602
- Short-term provisions for employee benefits	16	199,466,403	163,986,786
- Other short-term provisions	14	6,580,237	54,335,816
Other current liabilities	17	98,012,071	165,123,396
Non-Current Liabilities		3,533,306,545	2,789,073,007
Long-term borrowings	27	1,004,789,488	681,813,881
- Bank loans	27	844,633,734	465,543,989
- Lease liabilities	27	160,155,754	216,269,892
Other payables	6	508,847,753	827,058,872
- Other payables to related parties	4,6	508,847,753	827,058,872
Long-term provisions		348,794,597	322,751,897
- Long-term provisions for employee benefits	16	348,794,597	322,751,897
Deferred income	8	11,173,532	13,805,550
Deferred tax liabilities	25	1,659,564,465	943,642,807
Other long term liabilities		136,710	-
Total Liabilities		15,335,163,601	12,759,137,566

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

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

		Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
	Notes		
EQUITY			
Paid in capital	18	662,000,000	662,000,000
Share capital adjustment differences		4,600,552,013	4,600,552,013
Other comprehensive income or expenses are not reclassified to profit or loss		2,786,567,247	2,322,608,336
- <i>Gains on revaluation of plant, property and equipment</i>		2,969,414,572	2,479,329,421
- <i>Losses on remeasurement of defined benefit plans</i>		(182,847,325)	(156,721,085)
Other comprehensive income or expenses to be reclassified to profit or loss		517,129,670	690,310,526
- <i>Currency translation differences</i>		517,129,670	690,310,526
Share premium		645,005,859	645,005,859
Restricted reserves	18	577,657,637	577,657,637
Effect of business combinations under common control		(1,366,136,622)	(1,366,136,622)
Retained earnings / (losses)		1,876,086,223	1,033,173,390
Net profit / (loss) for the year		1,511,223,709	842,912,833
Equity holders of the parent		11,810,085,736	10,008,083,972
Non-controlling interests		655,733,414	512,137,912
Total Equity		12,465,819,150	10,520,221,884
TOTAL LIABILITIES AND EQUITY		27,800,982,751	23,279,359,450

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

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2024 AND 2023

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

		Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
	Notes		
Revenue	19	25,001,705,086	27,298,496,089
Cost of sales (-)	19	(19,088,721,481)	(21,764,390,373)
GROSS PROFIT		5,912,983,605	5,534,105,716
General administrative expenses (-)	20	(731,746,800)	(672,271,436)
Marketing expenses (-)	20	(2,495,546,608)	(2,357,724,804)
Research and development expenses (-)	20	(29,768,834)	(29,584,585)
Other income from operating activities	21	186,626,665	286,842,415
Other expenses from operating activities (-)	21	(1,378,140,155)	(1,736,829,226)
OPERATING PROFIT / (LOSS)		1,464,407,873	1,024,538,080
Income from investment activities	22	3,354,147,293	1,517,979,519
Investing activities expenses (-)	22	-	(258,890,842)
OPERATING PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		4,818,555,166	2,283,626,757
Financial income	23	85,579,036	15,177,480
Financial expenses (-)	23	(1,935,242,316)	(1,909,693,955)
Net monetary position gains	24	(317,410,606)	106,814,971
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		2,651,481,280	495,925,253
Tax income / (expense) from continuing operations		(999,282,090)	134,593,269
- Current tax expense (-)	25	(651,766,727)	(320,928,773)
- Deferred tax income / expense(-)	25	(347,515,363)	455,522,042
PROFIT / (LOSS) FOR THE YEAR		1,652,199,190	630,518,522
Profit for the year attributable to:			
Non-controlling interests		140,975,481	(212,394,311)
Equity holders of the parent		1,511,223,709	842,912,833
Earnings per share (TRY)	26	2.2828	1.2733
OTHER COMPREHENSIVE INCOME:			
Items to not be reclassified subsequently to profit or loss		473,039,118	1,191,065,300
- Gain on revaluation of property, plant and equipment		1,009,614,810	1,545,432,425
- Actuarial loss on defined benefit plans		(39,722,538)	(53,942,888)
- Other comprehensive (loss) / income not to be reclassified to (loss) / profit, tax effect		(496,853,154)	(300,424,237)
Items to be reclassified subsequently to profit or loss		(179,641,042)	(102,019,388)
- Currency translation differences		(179,641,042)	(102,019,388)
Other Comprehensive Income / (Expense)		293,398,076	1,089,045,912
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		1,945,597,266	1,719,564,434
Total comprehensive income / (expense) for the year attributable to:			
Non-controlling interests		143,595,502	(224,451,457)
Equity holders of the parent		1,802,001,764	1,944,015,891

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

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

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER’S EQUITY FOR THE PERIODS 31 DECEMBER 2024 AND 2023
(Amounts expressed in the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024, unless otherwise indicated.)

	Paid in capital	Share capital adjustment differences	Accumulated other comprehensive income or expenses not to be reclassified to profit or lose		Accumulated other comprehensive income or expenses to be reclassified to profit or lose	Retained earnings								
			Gains / (losses) on revaluation of plant, property, and equipment	Losses on remeasurement of defined benefit plans	Currency translation differences	Share premium	Restricted reserves	Effect of business combinations under common control	Retained earnings	Net profit / (loss) for the year	Equity holders of the parent	Non-controlling interests	Total equity	
Balances as of 1 January 2023	662,000,000	4,600,552,013	1,251,302,639	(119,759,604)	785,118,275	645,005,859	572,812,131	494,225,978	(904,726,432)	1,937,899,822	9,924,430,681	736,589,369	10,661,020,050	
Transfers	-	-	-	-	-	-	-	-	1,937,899,822	(1,937,899,822)	-	-	-	
Effect of business combinations under common control	-	-	-	-	-	-	-	(1,860,362,600)	-	-	(1,860,362,600)	-	(1,860,362,600)	
Total comprehensive income	-	-	1,228,026,782	(36,961,481)	(94,807,749)	-	4,845,506	-	-	842,912,833	1,944,015,891	(224,451,457)	1,719,564,434	
Balances as of 31 December 2023	662,000,000	4,600,552,013	2,479,329,421	(156,721,085)	690,310,526	645,005,859	577,657,637	(1,366,136,622)	1,033,173,390	842,912,833	10,008,083,972	512,137,912	10,520,221,884	
Balances as of 1 January 2024	662,000,000	4,600,552,013	2,479,329,421	(156,721,085)	690,310,526	645,005,859	577,657,637	(1,366,136,622)	1,033,173,390	842,912,833	10,008,083,972	512,137,912	10,520,221,884	
Transfers	-	-	-	-	-	-	-	-	842,912,833	(842,912,833)	-	-	-	
Total comprehensive Income	-	-	490,085,151	(26,126,240)	(173,180,856)	-	-	-	-	1,511,223,709	1,802,001,764	143,595,502	1,945,597,266	
Balances as of 31 December 2024	662,000,000	4,600,552,013	2,969,414,572	(182,847,325)	517,129,670	645,005,859	577,657,637	(1,366,136,622)	1,876,086,223	1,511,223,709	11,810,085,736	655,733,414	12,465,819,150	

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER 2024 AND 2023

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

	Notes	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
Cash inflows / (outflows) from operating activities		2,334,579,206	209,994,206
Profit for the year		1,652,199,190	630,518,522
Adjustments to reconcile profit / (loss) for the year		(12,912,655)	(410,841,442)
Adjustments related to depreciation and amortization expenses	12	550,831,794	642,653,704
Adjustments related to provision for/ (reversal) of impairment loss		9,796,549	(7,809,742)
- <i>Adjustments related to impairment loss on receivables</i>	5	11,644,163	(6,875,052)
- <i>Adjustments related to impairment (loss) / gain on inventories, net</i>	7	(1,847,614)	(934,690)
Adjustments related to provisions		282,483,632	241,126,366
- <i>Adjustments related to provisions employee benefit</i>	16	282,187,914	243,229,392
- <i>Adjustments related to lawsuit provisions</i>	14	295,718	(2,335,910)
- <i>Other adjustments related to operations</i>		-	232,884
Adjustments related to interest and commission expenses / (income)		(1,085,017,912)	204,037,388
- <i>Adjustments related to interest and commission expense</i>	23	1,378,356,130	1,219,522,774
- <i>Adjustments related to interest income</i>	22	(2,463,374,042)	(1,015,485,386)
Adjustments related to unrealized currency translation differences	23	471,191,178	469,235,861
Adjustments related to tax (income) / expense	25	999,282,090	(134,593,269)
Adjustments related to (gain)/loss on fair value		(768,031,619)	(458,848,725)
- <i>Adjustments related to fair value gains of investment properties</i>	9	(768,031,619)	(458,848,725)
Adjustments related to gain on disposal of non-current assets	22	(2,508,700)	(6,234,215)
Adjustments for other items caused by cash flows arising from investment or financing activities	22,23	(85,579,036)	243,713,362
Monetary gains / (losses)		(385,360,631)	(1,604,122,172)
Changes in working capital		1,048,326,178	875,699,859
Changes in trade receivables	5	288,960,364	582,295,390
- <i>Changes in trade receivables from non-related parties</i>	5	124,003,410	111,221,616
- <i>Changes in trade receivables from related parties</i>	4,5	164,956,954	471,073,774
Changes in inventories	7	1,257,957,340	(281,755,096)
Changes in other receivables related to operations		318,642,733	389,722,747
Changes in trade payables	5	(721,821,352)	213,607,773
- <i>Changes in trade payables from non-related parties</i>	5	(730,406,584)	194,545,968
- <i>Changes in trade payables from related parties</i>	4,5	8,585,232	19,061,805
Changes in other payables related to operations		(95,412,907)	(28,170,955)
Cash generated / (used) from operations		2,687,612,713	1,095,376,939
Cash outflow from paid in employee benefit provisions	16	(259,235,985)	(312,048,055)
Taxes paid		(93,797,522)	(573,334,678)

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER 2024 AND 2023

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

		Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
	Notes		
Cash inflows / (outflows) from investing activities		2,129,590,503	(1,107,543,413)
Payments for purchase of property, plant and equipment and intangible assets		(453,046,501)	(383,362,688)
- <i>Payments for purchase of property, plant and equipment</i>	10	(352,991,841)	(232,639,401)
- <i>Payments for purchase of intangible assets</i>	12	(100,054,660)	(150,723,287)
Proceeds from sale of property, plant and equipment and intangible assets	10,12,22	63,895,577	84,325,999
Interest income from investment activities	22	2,463,374,042	1,015,485,386
Rental income from investment properties	22	55,367,385	36,370,491
Cash outflows related to acquisitions to obtain control of subsidiaries		-	(1,860,362,601)
Cash inflows / (outflows) from financing activities		(1,988,567,602)	396,683,558
Cash inflows from loans	27	4,505,642,531	4,128,217,955
Cash outflows from repayment of borrowings	27	(2,675,974,852)	(3,183,091,209)
Payments of lease liabilities		(45,423,304)	(102,662,820)
Interest and commission paid	23	(1,378,356,130)	(1,219,522,774)
Net increase / (decrease) in other payables to related parties	6	(2,394,455,847)	773,742,406
Net decrease in cash and cash equivalents before the effect of exchange rate changes		2,475,602,107	(500,865,649)
Effects of exchange rate changes on cash and cash equivalents		(104,176,860)	74,471,085
Net change in cash and cash equivalents		2,371,425,247	(426,394,564)
Cash and cash equivalents at the beginning of the year	29	64,100,708	654,513,393
Inflation effect on cash and cash equivalents		(326,531,119)	(164,018,121)
Cash and cash equivalents at the end of the year	29	2,108,994,836	64,100,708

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

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

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

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

As of 31 December 2024, and 31 December 2023, the principal shareholders and their respective shareholding rates in the Company are as follows:

	31 December 2024	31 December 2023
	(%)	(%)
Yıldız Holding A.Ş.	60.53	54.27
Murat Ülker	9.98	9.98
Ufuk Yatırım Yönetim ve Gayrimenkul A.Ş.	-	6.26
Other	29.49	29.49
	100	100

As of 31 December 2024, the number of employees employed by the Group is 2,043 (31 December 2023: 1,932).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

The subsidiaries included in the scope of consolidation of the Group as of 31 December 2024 and 31 December 2023 and respective effective ownership rates are as follows:

Subsidiaries	Direct and Indirect Effective Ownership %		Countries of activity	Nature of business
	31 December 2024	31 December 2023		
Kerpe Gıda Sanayi ve Tic. A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Besmar Gıda Sanayi ve Ticaret A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Donuk Fırıncılık Ürünleri Sanayi ve Tic. A.Ş.	100	100	Türkiye	Production, Buying and Selling of Frozen Bakery Products
Berk Enerji Üretimi A.Ş.	88.17	88.17	Türkiye	Generation of Electricity
Marsa Yağ Sanayi ve Tic. A.Ş.	70	70	Türkiye	Production and Trading of Oil and Oil Products
Western Foods and Pack. SDN BHD (*)	70	70	Brunei	Production and Trading of Oil and Oil Products

(*) The Group has indirect ownership.

Approval of the financial statements

The consolidated financial statements as of and for the period ended 31 December 2024 have been approved by the Board of Directors on March 7, 2025.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 - Basis of Presentation

Principles for Preparation of Financial Statements and Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations. In addition, the financial statements have been prepared in accordance with the "Announcement on TFRS Taxonomy" published by POA and the resolution of CMB about the Illustrations of Financial Statements and Application Guidance published on 3 July 2024.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.1 Basis of Presentation (Continued)

Principles for Preparation of Consolidated Financial Statements and Significant Accounting Policies (Continued)

The consolidated financial statements and notes of the Group have been presented in accordance with the formats announced by the Capital Markets Board (SPK) on 7 June, 2013, and include the required information.

The Company and Subsidiaries in Türkiye maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The consolidated financial statements have been prepared under historical cost conventions except for land, buildings, derivatives, financial assets and financial liabilities which are carried at fair value. The consolidated financial statements as of December 31, 2023 and 2023 have been presented in accordance with the purchasing power principle as of December 31, 2024.

The consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2023.

Functional and Presentation Currency

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

Financial Reporting in Hyperinflationary Economies

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

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in the prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as at 31 December 2023, 31 December 2023 in terms of the purchasing power of the currency as at 31 December 2024.

In accordance with the CMB's resolution No: 81/1820 dated 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.1 Basis of Presentation (Continued)

Financial Reporting in Hyperinflationary Economies (Continued)

The financial statements dated December 31, 2024, have been presented are adjusted for the inflation effect in accordance with the accounting principles specified in TAS 29.

The table below includes the inflation rates calculated based on the Consumer Price Index published by the Turkish Statistical Institute ("TÜİK") for the relevant periods:

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
31.12.2024	2,684.55	1.0000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

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

- The consolidated financial statements for the current period presented in TRY are expressed in terms of the purchasing power of TRY at the balance sheet date and the amounts for the previous reporting periods are adjusted and expressed in accordance with the purchasing power of TRY at the end of the reporting period.
- Monetary assets and liabilities are not adjusted since they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted carrying amounts of non-monetary items exceed their recoverable amounts or net realisable
- Non-monetary assets, liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted by using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for the effect of non-monetary items in the balance sheet on the statement of comprehensive income, have been adjusted by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognised in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognised in the gain/(loss) on net monetary position in the consolidated income statement.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.1 Basis of Presentation (Continued)

Basis of Consolidation

(a) Subsidiaries

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

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

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

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

(c) Loss of subsidiary control

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 New and Amended Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments, and interpretations applicable as of 31 December 2024:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.2 New and Amended Turkish Financial Reporting Standards (Continued)

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

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

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

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

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.2 New and Amended Turkish Financial Reporting Standards (Continued)

- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effects of standards, amendments and interpretations on Group’s consolidated financial statements and performance of are being evaluated by Group.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies

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

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

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

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

- b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Revenue recognition

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

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

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

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

Dividend and interest income:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Inventories

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

Property, Plant and Equipment

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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

Useful Life (Year)

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

Intangible Assets

Intangible assets acquired separately

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Internally generated intangible assets - research and development expenses

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

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

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

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

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

Derecognition of intangible assets

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

Impairment of Assets Other Than Goodwill

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

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

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

Right-of-use assets

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

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

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

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

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

Lease liabilities

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Borrowing Costs

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Financial Assets

Classification and Measurement

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

(a) Financial assets measured at amortized cost

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

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

Impairment

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

(b) Financial assets measured at fair value

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

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

Trade receivables

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

Cash and cash equivalents

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

Recognition and derecognition of financial assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

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

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

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

Amendments to debt instruments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

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

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

Derivative Financial Instruments and Hedge Accounting

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

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

Effect of Exchange Differences

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

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

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

Effect of Exchange Differences

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

Earnings Per Share / (Loss)

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

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

Events After the Reporting Period

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Provisions, Contingent Assets and Liabilities

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

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

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

Reporting of Financial Information According to Segment

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

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

Government Grants and Incentives

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Investment Properties

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

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

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

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

Corporate taxes

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

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

Current income tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Deferred tax

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.3 Summary of Significant Accounting Policies (Continued)

Current and deferred tax for the period

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

Employee Benefits

Termination benefits:

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

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

Statement of Cash Flows

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

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

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

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

Share Capital and Dividends

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

2.4 Significant Accounting Judgements, Estimates and Assumptions

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

Provisions Related to Employee Benefits

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

Deferred taxes

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

Expected Credit Loss

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

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

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

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

2.5 Convenience Translation into English of Consolidated Financial Statements

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 3 - SEGMENT REPORTING

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

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

The segment revenues and expenses for the periods 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	Frozen and Canned	Edible Oil	1 January- 31 December 2024
Revenue	8,909,942,977	16,091,762,109	25,001,705,086
Gross Profit	2,718,312,721	3,194,670,884	5,912,983,605
Operating Profit	1,047,854,539	1,608,066,824	2,655,921,363
EBITDA (*)	1,399,630,852	1,807,122,305	3,206,753,157
EBITDA/Revenue	15.7%	11.2%	12.8%
Investment	306,579,206	146,467,295	453,046,501

	Frozen and Canned	Edible Oil	1 January- 31 December 2023
Revenue	9,067,318,533	18,231,177,556	27,298,496,089
Gross Profit	2,730,434,873	2,803,670,843	5,534,105,716
Operating Profit	1,148,206,712	1,326,318,179	2,474,524,891
EBITDA (*)	1,468,838,373	1,648,340,222	3,117,178,595
EBITDA/Revenue	16.2%	9.0%	11.4%
Investment	224,450,334	158,912,354	383,362,688

(*) EBITDA is not a measurement instrument that is prescribed in TAS and it cannot be comparable other entities calculations.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 4 - RELATED PARTY DISCLOSURES

Due to related parties, due from related parties and summary of significant transactions with related parties as of 31 December 2024 and 31 December 2023 are as follows.

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

	31 December 2024	31 December 2023
Trade receivables from related parties		
Ülker Bisküvi San. A.Ş.	545,114,835	798,544,197
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	390,051,145	366,389,945
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	319,540,334	361,551,962
Şok Marketler Tic. A.Ş.	294,711,813	207,840,146
Bizim Toptan Satış Magazaları A.Ş.	163,024,628	90,804,300
Horizon Hızlı Tüketim Ürünleri Paz. ve Tic. A.Ş.	139,557,432	135,947,685
E Star Global E Tic. Satış Ve Paz.	32,118,965	29,566,763
Pladis Foods LTD	18,652,049	-
Pasifik Tük.Ürün. San.ve Tic. A.Ş.	-	52,748,328
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	25,345,653
Other	3,413,302	2,402,478
Total	1,906,184,503	2,071,141,457

	31 December 2024	31 December 2023
Trade payables to related parties		
İzsal Gayrimenkul Geliştirme A.Ş.	31,062,896	17,243,987
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	9,898,555	-
Ülker Bisküvi San. A.Ş.	3,728,256	2,476,897
Aytaç Gıda Yatırım A.Ş.	3,206,792	20,142,014
Sağlam İnşaat Taahhüt Tic. A.Ş.	2,835,637	1,979,689
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	2,356,191	1,135,743
Adapazarı Şeker Fabrikası A.Ş.	1,758,343	1,007,926
Northstar Innovation A.Ş.	1,430,767	-
Bizim Toptan Satış Magazaları A.Ş.	-	2,132,577
Other	4,398,652	5,972,024
Total	60,676,089	52,090,857

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 4 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2024	31 December 2023
Other receivables from related parties		
Yıldız Holding A.Ş.(*)	6,092,683,811	2,580,657,548
	6,092,683,811	2,580,657,548
	31 December 2024	31 December 2023
Other payables to related parties		
Yıldız Holding A.Ş.(*)	1,494,746,539	144,544,040
	1,494,746,539	144,544,040
	31 December 2024	31 December 2023
Other non-current payables to related parties		
Yıldız Holding A.Ş.(**)	508,847,753	827,058,872
	508,847,753	827,058,872

(*) The relevant amount consists of balances made available from Yıldız Holding and to Yıldız Holding for financing purposes, and these balances do not have a certain maturity. Interest rates are re-determined on a monthly basis, taking into account market conditions, and as of 31 December 2024, the average interest rates of TRY-based receivables and payables are 48.71% (31 December 2023: 42.53%).

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

The amount of collateral given as guarantor ship and mortgage within the scope of the syndication debts is TRY10,881,618,780 (31 December 2023: TRY10,904,184,375).

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 4 - RELATED PARTY DISCLOSURES (Continued)

Sale of goods and services	1 January - 31 December 2024	1 January - 31 December 2023
Ülker Bisküvi San. A.Ş.	4,320,515,475	4,482,942,855
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	1,709,556,682	1,526,846,461
Şok Marketler Ticaret A.Ş.	1,095,939,030	525,509,444
Horizon Hızlı Tüketim Ürünleri A.Ş.	913,472,847	814,228,595
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	903,175,334	2,076,941,394
Bizim Toptan Satış Mağazaları A.Ş.	459,954,234	414,745,476
E Star Global E-Ticaret Satış ve Pazarlama A.Ş.	94,386,847	74,257,421
CCC Gıda San. ve Tic. A.Ş.	17,944,083	2,243,816
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	-	1,397,924,833
Other	406,990	28,965,419
Total	9,515,351,522	11,344,605,714

Purchase of goods and services	1 January - 31 December 2024	1 January - 31 December 2023
Maia International B.V.	3,497,738,219	3,994,677,074
Yıldız Holding A.Ş.	319,167,538	247,355,127
İzsal Gayrimenkul Geliştirme A.Ş.	167,645,753	113,387,179
Aytaç Gıda Yatırım San. Tic. A.Ş.	69,194,479	226,428,728
Sağlam İnşaat Taahhüt Tic. A.Ş.	38,665,860	28,603,811
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	20,888,787	10,082,843
Horizon Hızlı Tük.az. Sat.Tic. A.Ş.	13,088,419	2,469,082
Ülker Bisküvi San. A.Ş.	13,709,476	12,985,981
UCZ Mağazacılık Tic. A.Ş.	9,742,404	1,603,748
Penta Teknoloji Ürün.Dağ.Tic. A.Ş.	6,796,486	1,840,460
Bizim Toptan Satış Mağazaları A.Ş.	1,934,673	1,075,642
Adapazarı Şeker Fabrikası A.Ş.	1,762,774	7,502,164
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	112,110	50,355,310
Other	6,449,456	22,089,031
Total	4,166,896,434	4,720,456,180

Service, rent and other income	1 January - 31 December 2024	1 January - 31 December 2023
İzsal Gayrimenkul Geliştirme A.Ş.	1,905,469	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	1,090,347	884,473
Bizim Toptan Satış Mağazaları A.Ş.	847,900	1,109,698
Yıldız Holding A.Ş.	-	6,291,920
Ülker Bisküvi San. A.Ş.	-	436,959
Other	665,191	989,495
Total	4,508,907	9,712,545

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 4 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 31 December 2024	1 January - 31 December 2023
Commission and financial expense		
Yıldız Holding A.Ş.	415,445,840	583,516,095
Pervin Finansal Kiralama A.Ş.	22,767,012	6,306,123
Ülker Bisküvi San. A.Ş.	19,815,239	-
Other	369,082	16,685,643
Total	458,397,173	606,507,861

	1 January - 31 December 2024	1 January - 31 December 2023
Commission and financial income		
Ülker Bisküvi San. A.Ş.	60,727,311	-
Yıldız Holding	-	92,787,779
Other	1,084,732	52,272
Total	61,812,043	92,840,051

	1 January - 31 December 2024	1 January - 31 December 2023
Investment income		
Yıldız Holding A.Ş. (*)	2,349,433,661	1,021,596,242
Other	-	1,995,978
Total	2,349,433,661	1,023,592,220

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

Key management compensation:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 5- TRADE RECEIVABLES AND PAYABLES

As of 31 December 2024 and 31 December 2023 trade receivables of the Group are as follows:

	31 December 2024	31 December 2023
Current trade receivables		
Trade receivables (*)	1,670,515,474	1,731,027,578
Notes receivable	19,377,437	108,235,651
Income accruals	1,214,420	261,757
Provision for doubtful receivables (-)	(54,758,260)	(67,528,342)
Trade receivables, net	1,636,349,071	1,771,996,644
Trade receivables from related parties (Note 4) (**)	1,906,184,503	2,071,141,457
	3,542,533,574	3,843,138,101

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

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

Average maturity for trade receivables is 53 days (31 December 2023: 54).

Movements of provision for doubtful receivables as of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Movement of provision for doubtful receivables		
Opening balance	(67,528,342)	(116,795,466)
Charge for the year (-)	(12,666,844)	(4,603,212)
Reversals of provisions	1,022,681	11,478,264
Monetary gain / (loss)	24,414,245	42,392,072
End of the period	(54,758,260)	(67,528,342)

	31 December 2024	31 December 2023
Short-term trade payables		
Trade payables	4,809,295,941	5,651,327,622
Expense accruals	140,406,505	28,781,408
Trade payables, net	4,949,702,446	5,680,109,030
Trade payables to related parties (Note 4) (*)	60,676,089	52,090,857
	5,010,378,535	5,732,199,887

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

Average maturity for trade payables is 101 days (31 December 2023: 99).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 6 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

	31 December 2024	31 December 2023
Other current receivables		
Receivables from related parties (Note 4)	6,092,683,811	2,580,657,548
Receivables from tax administration	197,657,980	115,256,489
Other miscellaneous receivables	7,224,743	82,221,765
	6,297,566,534	2,778,135,802
Other non-current receivables		
Deposits and guarantees given	2,448,615	5,590,153
	2,448,615	5,590,153

Other Payables

	31 December 2024	31 December 2023
Other current liabilities		
Payables to related parties (Note 4)	1,494,746,539	144,544,040
Other miscellaneous liabilities	1,825	170,010
	1,494,748,364	144,714,050
Other non-current liabilities		
Non-current liabilities to related parties (Note 4)	508,847,753	827,058,872
	508,847,753	827,058,872

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 7 - INVENTORIES

	31 December 2024	31 December 2023
Raw materials	1,662,664,760	2,656,408,867
Work in process	1,083,327,861	1,333,830,076
Finished goods	623,334,307	605,014,819
Trade goods	89,788,422	98,269,655
Other inventory (*)	134,212,939	157,762,212
Provision for impairment of inventory (-)	(472,462)	(2,320,076)
	3,592,855,827	4,848,965,553

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

Movements of provision for impairment of inventories as of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	(2,320,076)	(5,179,591)
Charge for the year	-	(1,547,969)
Reversals of provisions during the period	1,847,614	4,407,484
Closing balance	(472,462)	(2,320,076)

NOTE 8 - PREPAID EXPENSES AND DEFERRED REVENUE

	31 December 2024	31 December 2023
Short-term prepaid expenses		
Advances given for inventory purchases	276,126,604	554,562,201
Prepaid expenses	108,611,918	117,786,183
Business advances	199,228	104,317
	384,937,750	672,452,701

	31 December 2024	31 December 2023
Long-term prepaid expenses		
Advances given for fixed asset purchases	19,387,149	31,778,264
	19,387,149	31,778,264

	31 December 2024	31 December 2023
Short-term deferred income		
Advances received	116,336,453	125,106,882
Deferred income	3,172,264	4,370,028
	119,508,717	129,476,910

	31 December 2024	31 December 2023
Long-term deferred income		
Deferred income	11,173,532	13,805,550
	11,173,532	13,805,550

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 9 - INVESTMENT PROPERTIES

Cost value	1 January 2024	Disposals	Transfers	Change in fair value	31 December 2024
Land, building, plant machinery and devices	1,916,994,393	-	-	768,031,619	2,685,026,012
	1,916,994,393	-	-	768,031,619	2,685,026,012

Cost value	1 January 2023	Disposals	Transfers	Change in fair value	31 December 2023
Land, building, plant machinery and devices	1,201,192,994	-	256,952,674	458,848,725	1,916,994,393
	1,201,192,994	-	256,952,674	458,848,725	1,916,994,393

The Group has earned rent income from its investment properties amounting to TRY55,367,385 in the current period. (1 January - 31 December 2023: TRY36,370,491) (Note 22).

Fair value of investment properties

31 December 2024			
	Level 1	Level 2	Level 3
Investment properties	-	2,685,026,012	-
Total	-	2,685,026,012	-

31 December 2023			
	Level 1	Level 2	Level 3
Investment properties	-	1,916,994,393	-
Total	-	1,916,994,393	-

As of 31 December 2024, the Group's investment properties are carried with their fair values determined by the revaluation carried out on 31 December 2023, and these fair values have been determined by an independent valuation firm holding a CMB License. The change between the fair value and cost value of the investment properties at initial recognition is included under equity. Gains or losses arising from changes in fair value in subsequent measurement periods are included in the consolidated statement of profit or loss.

The table above present the fair value hierarchy of investment properties of the Group as of 31 December 2024 and 31 December 2023. The levels of hierarchies of fair values are detailed below.

- Level 1: Quoted prices in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly,
- Level 3: Inputs for the asset or liability that are not based on observable market data

Valuation techniques used to derive level 2 fair values.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Amounts expressed in the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024, unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Cost value	1 January 2024	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2024
Land and land improvements	2,640,123,826	-	-	142,182,162	702,766,259	(108,125)	3,484,964,122
Buildings	4,457,279,002	24,871,159	(57,795,140)	(61,160,320)	(49,107,098)	(269,761,367)	4,044,326,236
Machinery and equipment	5,720,427,310	273,077,741	(66,999,245)	-	-	(64,916,622)	5,861,589,184
Motor vehicles	21,648,367	-	-	-	-	(736,637)	20,911,730
Furniture and fixtures	544,169,720	35,047,152	(38,310,766)	-	-	(5,953,926)	534,952,180
Leasehold improvements	57,870,045	2,499,229	-	-	-	-	60,369,274
Other tangibles (*)	374,534,388	15,062,423	(25,438,020)	-	-	-	364,158,791
Construction in progress	1,922,221	2,434,137	-	-	-	-	4,356,358
	13,817,974,879	352,991,841	(188,543,171)	81,021,842	653,659,161	(341,476,677)	14,375,627,875

Accumulated depreciation	1 January 2024	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2024
Land improvements	(34,460,468)	(6,353,608)	-	26,061,097	-	42,473	(14,710,506)
Buildings	(1,451,005,215)	(103,429,353)	26,244,335	(26,061,097)	(9,898,774)	29,310,115	(1,534,839,989)
Machinery and equipment	(3,866,569,829)	(301,912,674)	65,129,342	-	-	27,002,703	(4,076,350,458)
Motor vehicles	(19,237,969)	46,143	-	-	-	774,771	(18,417,055)
Furniture and fixtures	(375,221,464)	(36,571,756)	13,789,666	-	-	(1,347,908)	(399,351,462)
Leasehold improvements	(43,353,705)	(4,242,792)	-	-	-	-	(47,596,497)
Other tangibles (*)	(222,183,344)	(22,313,203)	21,992,951	-	-	-	(222,503,596)
	(6,012,031,994)	(474,777,243)	127,156,294	-	(9,898,774)	55,782,154	(6,313,769,563)

Net book value	7,805,942,885						8,061,858,312
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(*) Other tangibles comprised of refrigerators.

As of 31.12.2024, there is a total mortgage of TRY5,766,979,000 on fixed assets within the scope of the syndicated loan (31 December 2023: TRY4,518,676,592). (Note 14)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Amounts expressed in the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024, unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost value	1 January 2023	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2023
Land and land improvements	2,128,005,491	8,480,629	-	(240,359,350)	744,011,082	(14,026)	2,640,123,826
Buildings	3,319,359,171	4,998,872	(35,113,633)	(28,368,773)	1,235,935,044	(39,531,679)	4,457,279,002
Machinery and equipment	5,672,826,962	162,892,903	(143,446,044)	32,930,496	-	(4,777,007)	5,720,427,310
Motor vehicles	19,027,534	2,716,683	-	3,482,358	-	(3,578,208)	21,648,367
Furniture and fixtures	514,041,101	37,400,387	(6,560,820)	-	-	(710,948)	544,169,720
Leasehold improvements	55,933,698	1,936,347	-	-	-	-	57,870,045
Other tangibles (*)	412,758,029	5,655,074	(43,878,715)	-	-	-	374,534,388
Construction in progress	47,468,720	8,558,506	(17,692,150)	(36,412,855)	-	-	1,922,221
	12,169,420,706	232,639,401	(246,691,362)	(268,728,124)	1,979,946,126	(48,611,868)	13,817,974,879
Accumulated depreciation	1 January 2023	Additions	Disposals	Transfers	Revaluation	Currency translation differences	31 December 2023
Land improvements	(22,382,586)	(3,601,796)	-	-	(8,578,907)	102,821	(34,460,468)
Buildings	(754,882,358)	(167,549,198)	-	11,775,449	(576,317,500)	35,968,392	(1,451,005,215)
Machinery and equipment	(3,690,678,399)	(340,616,372)	123,932,821	-	-	40,792,121	(3,866,569,829)
Motor vehicles	(15,417,990)	(5,527,430)	-	-	-	1,707,451	(19,237,969)
Furniture and fixtures	(344,683,675)	(38,398,828)	4,618,712	-	-	3,242,327	(375,221,464)
Leasehold improvements	(39,516,894)	(3,836,811)	-	-	-	-	(43,353,705)
Other tangibles (*)	(237,451,159)	(24,780,230)	40,048,045	-	-	-	(222,183,344)
	(5,105,013,061)	(584,310,665)	168,599,578	11,775,449	(584,896,407)	81,813,112	(6,012,031,994)
Net Book Value	7,064,407,645						7,805,942,885

(*) Other tangible assets consist of refrigerated cabinets.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Fair value of investment properties

	31 December 2024		
	Level 1	Level 2	Level 3
Lands, land improvements and buildings	-	5,979,739,863	-
Total	-	5,979,739,863	-

	31 December 2023		
	Level 1	Level 2	Level 3
Lands, land improvements and buildings	-	5,611,937,145	-
Total	-	5,611,937,145	-

As of 31 December 2024, the Group's lands, land improvements and buildings are carried with their fair values determined by the revaluation carried out on 31 December 2024, and these fair values have been determined by an independent valuation firm holding a CMB License. The change between the fair value and cost value of tangibles at initial recognition is included under equity. Gains or losses arising from changes in fair value in subsequent measurement periods are included in the consolidated statement of profit or loss.

The table above present the fair value hierarchy of tangibles of the Group as of 31 December 2024 and 31 December 2023. The levels of hierarchies of fair values are detailed below.

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

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

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

Valuation techniques used to derive level 2 fair values.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 11 - RIGHT OF USE ASSETS

Cost Value- Effect of IFRS 16	1 January 2024	Additions	Disposals	Current Year Depreciation	Inflation Effect	31 December 2024
Buildings	20,448,697	20,812,094	(11,542,531)	(5,021,867)	(6,285,467)	18,410,926
Motor Vehicles	30,152,776	24,803,122	(1,870,737)	(15,162,240)	(9,268,283)	28,654,638
	50,601,473	45,615,216	(13,413,268)	(20,184,107)	(15,553,750)	47,065,564

Cost Value- Effect of IFRS 16	1 January 2023	Additions	Disposals	Current Year Depreciation	Inflation Effect	31 December 2023
Buildings	3,010,233	-	22,661,043	(4,039,244)	(1,183,335)	20,448,697
Motor Vehicles	31,151,372	(2,378,683)	26,501,678	(11,048,959)	(14,072,632)	30,152,776
	34,161,605	(2,378,683)	49,162,721	(15,088,203)	(15,255,967)	50,601,473

The interest rate used for the lease obligations is between 19-55% for 31 December 2024 and 20% for 31 December 2023. Interest expenses are TRY25,447,162 (31 December 2023: TRY10.991.212).

NOTE 12 - INTANGIBLE ASSETS

Cost value	1 January 2024	Additions	Disposals	Transfers	Currency translation differences	31 December 2024
Rights	276,955,434	25,416,115	-	(81,021,842)	(4,532,398)	216,817,309
Development expenses	409,276,166	74,638,545	-	-	-	483,914,711
Other intangible assets	6,826,139	-	-	-	-	6,826,139
	693,057,739	100,054,660	-	(81,021,842)	(4,532,398)	707,558,159

Accumulated amortization	1 January 2024	Additions	Disposals	Transfers	Currency translation differences	31 December 2024
Rights	(154,965,742)	(7,392,318)	-	-	1,348,590	(161,009,470)
Development expenses	(195,401,656)	(48,478,126)	-	-	-	(243,879,782)
Other intangible assets	(6,825,987)	-	-	-	-	(6,825,987)
	(357,193,385)	(55,870,444)	-	-	1,348,590	(411,715,239)
Net Book Value	335,864,354					295,842,920

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Cost Value	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	31 December 2023
Rights	187,772,272	81,020,091	-	-	8,163,070	276,955,433
Development expenses	339,572,970	69,703,196	-	-	-	409,276,166
Other intangible assets	6,826,139	-	-	-	-	6,826,139
	534,171,381	150,723,287	-	-	8,163,070	693,057,738

Accumulated amortization	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	31 December 2023
Rights	(144,231,714)	(9,427,044)	-	-	(1,306,983)	(154,965,741)
Development expenses	(161,573,864)	(33,827,792)	-	-	-	(195,401,656)
Other intangible assets	(6,825,987)	-	-	-	-	(6,825,987)
	(312,631,565)	(43,254,836)	-	-	(1,306,983)	(357,193,384)
Net Book Value	221,539,816					335,864,354

Allocation of depreciation and amortization expenses of property, plant and equipments, intangible assets, and right-of-use assets as of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales (Note 19)	(466,093,939)	(555,833,570)
Marketing, sales and distribution expense (Note 20)	(53,323,558)	(55,186,894)
General administration expenses (Note 20)	(13,060,880)	(14,699,783)
Research and development expenses (Note 20)	(18,353,417)	(16,933,457)
	(550,831,794)	(642,653,704)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 13 - GOVERNMENT GRANTS AND INCENTIVES

Investment Incentive Certificate numbered 535745 was received from the General Directorate of Incentives, Implementation and Foreign Capital of the Ministry of Industry and Technology of the Republic of Türkiye on April 21, 2022. The validity period of the Incentive Certificate is 3 years and expires on April 13, 2025. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 2-year insurance premium employer share support and 50% Tax Deduction. The total amount of investment foreseen in the Investment Incentive Certificate is TRY99,936,725. As of December 31, 2024, the investment amount realized within the scope of the incentive certificate is TRY18,569,470.

Investment Incentive Certificate numbered 552413 was received from the General Directorate of Incentives, Implementation and Foreign Capital of the Ministry of Industry and Technology of the Republic of Türkiye on April 26, 2023. The validity period of the said Incentive Certificate is 3 years and expires on April 25, 2026. The validity period of the mentioned Incentive Certificate is 3 years and ends on 25 April 2026. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 7 years of insurance premium employer's share support, 80% Tax Reduction and 40% Investment Contribution Rate support. Total amount of the investment foreseen in the Investment Incentive Certificate is TRY86,414,080. As of 31 December 2024, the amount of investment realized within the scope of the incentive certificate is TRY51,212,623.

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets and Liabilities

Contingent assets and liabilities as of 31 December 2024, and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Contingent assets		
Letters of guarantees received	838,142,867	1,546,547,991
Bonds of guarantee received	7,125,350	-
Pledges and mortgages received	198,670	2,474,176
	1,371,754,441	1,549,022,167

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent liabilities	31 December 2024	31 December 2023
Mortgages given (*)	8,865,162,569	4,518,676,592
Guarantorship given (*)	5,114,639,780	6,385,507,783
Letters of guarantee given	1,206,587,749	1,496,438,276
Promissory notes issued	-	1,339,376,023
	15,186,390,098	13,739,998,674

(*) Mortgages and guarantees given are given as Yıldız Holding syndication loan guarantees.

Other short-term provisions	31 December 2024	31 December 2023
Provisions for lawsuits	3,611,214	4,786,872
Provisions for cost expenses	2,969,023	9,656,820
Turnover / premium provisions	-	27,407,297
Price difference and activity provisions	-	12,484,827
	6,580,237	54,335,816

The movements of provisions for lawsuits as of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

Movement of provision for lawsuits	1 January - 31 December 2024	1 January - 31 December 2023
Opening	4,786,872	11,736,416
Charge / (reversals) for the period	295,718	(2,335,910)
Monetary gain / (loss)	(1,471,376)	(4,613,634)
End of the period	3,611,214	4,786,872

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Amounts expressed in the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024, unless otherwise indicated.)

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Guarantee, pledge and mortgages given by the Group

Guarantee, pledge and mortgages ("GPM") in respect of commitment and contingencies realized in the ordinary course of business given for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024			31 December 2023		
	Original Currency	Amount	TRY Equivalent	Original Currency	Amount	TRY equivalent
A. CPMs given for Company's own legal personality (*)	TRY	12,245,851,711	12,245,851,711	TRY	9,258,548,928	9,258,548,928
	USD	83,347,885	2,940,538,387	USD	95,702,287	4,067,587,536
	EUR	-	-	EUR	8,800,000	413,862,210
B. CPMs given on behalf of fully consolidated companies		-	-		-	-
C. CPMs given in the normal course of business activities on behalf of third parties		-	-		-	-
D. Total amount of other CPMs		-	-		-	-
i) Total amount of CPMs given on behalf of the parent		-	-		-	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C		-	-		-	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C		-	-		-	-
			15,186,390,098			13,739,998,674

As of 31 December 2024, the Group has export commitments of EUR 39,335,975 (31 December 2023: TRY180,473,464, USD 2,739,865, and EUR 57,600,000). The fulfillment period of export commitments is two years.

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

The bank loans of the Company and its subsidiaries which in total TRY6.003 million in cash (Nominal: TRY745 Million) and TRY1,627 million non-cash (Nominal: TRY202 million) contingencies were moved to the level of Yıldız Holding A.Ş. through syndication. The Company's total debt has not increased as a result of the syndicated loan, but cash and non-cash loans are moved to Yıldız Holding A.Ş. level.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 16 - PAYABLES RELATED TO EMPLOYEE BENEFITS

Payables related to employee benefits	31 December 2024	31 December 2023
Due to personnel	83,310,161	71,091,657
Social security premiums payable	69,415,677	49,116,068
	152,725,838	120,207,725
Short-term provisions for employee benefits	31 December 2024	31 December 2023
Provisions for performance premium	149,933,838	114,775,711
Provisions for unused vacations	49,532,565	47,136,364
Other provisions	-	2,074,711
	199,466,403	163,986,786

The movements of provisions for performance premium as of 1 January - 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	114,775,711	81,777,537
Charge for the year	149,933,838	114,775,711
Cash payments during the year	(79,496,251)	(37,862,210)
Inflation effect	(35,279,460)	(43,915,327)
End of the period	149,933,838	114,775,711

The movement of provisions for unused vacations as of 1 January - 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	47,136,364	41,855,033
Charge for the year	23,802,275	42,690,597
Reversals of provisions during the period	-	(22,546,710)
Inflation effect	(21,406,074)	(14,862,556)
End of the period	49,532,565	47,136,364

Non-current provisions for employee benefits	31 December 2024	31 December 2023
Provisions for employee termination benefits	348,794,597	322,751,897
	348,794,597	322,751,897

Provision for Employee Termination Benefit

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

Such payments are calculated on the basis of 30 days' pay maximum TRY41,828.42 as at 31 December 2024 (31 December 2023: TRY23,489.83) per year of employment at the of pay applicable at the date of retirement or termination.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 16 - PAYABLES RELATED TO EMPLOYEE BENEFITS (Continued)

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2024 has been calculated assuming an annual inflation rate of 22.77% (31 December 2023: 20.95%) and an interest rate of 27.15% (31 December 2023: 25.39%) resulting in a real discount rate of approximately 3.57% (31 December 2023: 3.67%). Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 3.82% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Ceiling amount of TRY46,655.43 which is in effect since 1 January 2024 is used in the calculation of Groups' provision for retirement pay liability (1 January 2023: TRY35,058.58).

The movement of provisions of employee termination benefit as of 1 January - 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	322,751,897	376,348,436
Service cost	55,060,825	64,698,517
Interest cost	53,390,976	43,611,277
Actuarial loss	39,722,538	53,942,890
Termination benefits paid	(34,545,975)	(73,191,060)
Inflation effect	(87,585,664)	(142,658,163)
End of the period	348,794,597	322,751,897

NOTE 17 - OTHER ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Other current assets		
Deferred VAT	232,118,390	312,100,854
Other	12,548,476	10,932,995
	244,666,866	323,033,849

	31 December 2024	31 December 2023
Other current liabilities		
Taxes and funds payables	47,011,975	123,848,761
Other current liabilities	51,000,096	41,274,635
	98,012,071	165,123,396

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 18 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of 31 December 2024, the Company's capital was issued and consisted of 66,200,000,000 shares, each with a nominal value of TRY0.01. (31 December 2023: 66,200,000,000 shares).

The Group's shareholders and their share in the capital as of 31 December 2024 and 31 December 2023 are as follows:

Shareholders	31 December 2024		31 December 2023	
	Share (%)	Amount	Share (%)	Amount
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

(*) In accordance with the decision of the board of directors of Ufuk Yatırım Yönetim ve Gayr. A.Ş. dated 14.06.2024, all of its shares transferred to Yıldız Holding via the special-order method on the stock exchange.

Restricted Reserves and Retained Earnings

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

Restricted reserves allocated from profit as of December 31, 2024, are as follows. There is no remaining profit for the period after deducting previous years' losses in the legal records of the Group and there are no other resources that can be subject to profit distribution.

	31 December 2024	31 December 2023
Restricted reserves		
Legal reserves	577,657,637	577,657,637
	577,657,637	577,657,637

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

31 December 2024 (In accordance with TFRS)	Nominal value	Inflation adjustment effect	Indexed Value
Paid capital	662,000,000	4,600,552,013	5,262,552,013
Legal reserves	37,378,879	540,278,758	577,657,637

31 December 2024 (In accordance with Tax Law)	Nominal value	Inflation adjustment effect	Indexed Value
Paid capital	662,000,000	6,700,832,962	7,362,832,962
Legal reserves	44,837,076	908,859,513	953,696,589

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 19 - REVENUE AND COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	29,787,070,497	30,055,204,337
Export sales	2,489,837,949	3,141,300,495
Other income	108,684,315	228,614,778
Gross sales	32,385,592,761	33,425,119,610
Sales returns and discounts (-)	(7,383,887,675)	(6,126,623,521)
Net sales	25,001,705,086	27,298,496,089
Cost of sales (-)		
- Raw materials	(16,531,728,328)	(18,821,015,043)
- Labour costs	(1,039,069,250)	(932,880,067)
- Depreciation and Amortization Expense (Note 12)	(466,093,939)	(555,833,570)
- Manufacturing overhead costs	(1,051,829,964)	(1,454,661,693)
Cost of sales (-)	(19,088,721,481)	(21,764,390,373)
Gross profit	5,912,983,605	5,534,105,716

NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Marketing, sales and distribution expenses	1 January - 31 December 2024	1 January - 31 December 2023
Transportation expenses	(718,850,488)	(769,982,089)
Personnel expenses	(541,813,135)	(496,880,782)
Advertisement expenses	(484,091,214)	(403,126,252)
Tax duties and fees (*)	(227,480,464)	(178,892,329)
Brand usage expense	(124,408,361)	(121,562,409)
Rent expenses	(91,651,099)	(73,146,422)
Energy expenses	(55,902,470)	(68,031,572)
Export expenses	(53,511,136)	(25,847,298)
Depreciation and amortization expense (Note 12)	(53,323,558)	(55,186,894)
Maintenance and repair expenses	(23,934,158)	(33,451,681)
Externally provided benefits and services	(19,378,018)	(12,247,508)
Other	(101,202,507)	(119,369,568)
	(2,495,546,608)	(2,357,724,804)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)

General administrative expenses	1 January - 31 December 2024	1 January - 31 December 2023
Externally provided benefits and services	(368,587,251)	(261,632,866)
Personnel expenses	(262,340,278)	(283,366,932)
Depreciation and amortization expense (Note 12)	(13,060,880)	(14,699,783)
Energy expenses	(6,647,144)	(5,540,984)
Brand copyright expenses	(5,389,069)	(3,507,365)
Fees, duties and charges	(5,052,733)	(6,559,569)
Rent expenses	(4,698,343)	(10,925,220)
Communication expenses	(3,815,211)	(4,404,426)
Travel expenses	(3,724,380)	(2,250,243)
Building expenses	(1,470,407)	(6,983,048)
Other	(56,961,104)	(72,401,000)
	(731,746,800)	(672,271,436)

Research and development expenses	1 January - 31 December 2024	1 January - 31 December 2023
Depreciation and amortization expense (Note 12)	(18,353,417)	(16,933,457)
Personnel expenses	(9,988,312)	(9,015,844)
Externally provided benefits and services	(198,885)	(2,224,367)
Analysis expenses	(467,353)	-
Other	(760,867)	(1,410,917)
	(29,768,834)	(29,584,585)

Fees for Services Obtained from Independent Auditor/Independent Audit Firms

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

Fees for Services Obtained from Independent Audit Firms	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	3,849,353	2,627,643
Fees for other assurance services	131,250	108,284
	3,980,603	2,735,927

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 21 - OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

Other Income from Operating Activities	1 January - 31 December 2024	1 January - 31 December 2023
Service income	143,669,469	112,708,134
Interest income from forward sales	14,238,445	95,822,962
Provisions no longer required for impairment of inventory (Note 7)	1,847,614	2,482,659
Insurance claim income	1,227,681	-
Provisions no longer required of doubtful receivables (Note 5)	1,022,681	11,478,264
Provisions no longer required of lawsuits (Note 15)	-	2,335,910
Other	24,620,775	62,014,486
	186,626,665	286,842,415

Other Expense from Operating Activities	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense from forward purchases	(679,788,139)	(412,105,160)
Foreign exchange losses from operating activities	(346,028,374)	(788,655,001)
Product disposal expenses	(42,874,313)	(22,136,970)
Service expenses	(32,528,355)	(178,622,969)
Provision expenses for doubtful receivables (Note 5)	(12,666,844)	(4,603,212)
Other	(264,254,130)	(330,705,914)
	(1,378,140,155)	(1,736,829,226)

NOTE 22 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from Investment Activities	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	2,463,374,042	1,015,485,386
Investment properties revaluation	687,682,223	458,848,724
Exchange difference income	145,214,943	-
Rent income	55,367,385	36,370,491
Gain on sale of fixed assets	2,508,700	6,234,215
Other	-	1,040,703
	3,354,147,293	1,517,979,519

Expenses from Investment Activities	1 January - 31 December 2024	1 January - 31 December 2023
Exchange difference expenses	-	(258,890,842)
	-	(258,890,842)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 23 - FINANCIAL INCOME AND EXPENSES

Financial income	1 January - 31 December 2024	1 January - 31 December 2023
Discount income from financing (*)	85,579,036	15,177,480
	85,579,036	15,177,480
Financial expense	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense	(1,053,474,041)	(1,112,170,979)
Exchange difference expenses on loans	(471,191,178)	(469,235,861)
Commission expenses	(324,882,089)	(107,351,795)
Financing obligation regarding severance pay	(37,814,199)	(43,611,277)
Discount expenses from financing (*)	(47,880,809)	(177,324,043)
	(1,935,242,316)	(1,909,693,955)

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

NOTE 24 – MONETARY GAIN LOSS

Non-monetary items	31.12.2024
Financial statement items	(1,999,131,176)
Inventories	(58,457,976)
Prepaid expenses (short term)	14,954,637
Property, plant and equipment	370,390,976
Intangible assets	20,325,610
Deferred tax liability	(267,292,590)
Paid-in capital	(1,617,589,557)
Other accumulated comprehensive income or expense	
not to be reclassified to profit or loss	208,733,500
Capital reserves	(6,210,698)
Premiums related to shares	(514,549,203)
Restricted reserves allocated from profits	(193,928,446)
Effect of combinations involving entities or entities under common control	(419,919,523)
Retained earnings / (losses)	464,412,094
Profit or loss statement items	1,681,720,570
Revenue	(3,140,884,649)
Cost of sales	3,377,951,939
Research and development expenses	6,674,390
Marketing, selling and distribution expenses	332,973,323
General administrative expenses	80,288,511
Income/expenses from investing activities	414,609,089
Other income/expenses from operating activities	166,616,848
Financing income/expenses	216,174,942
Current tax expense	227,316,177
Net monetary position gains / (losses)	(317,410,606)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

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

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

In Türkiye, the corporate tax rate is 25% as of 31 December 2024 (31 December 2023: 25%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws.

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

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

	31 December 2024	31 December 2023
Current income tax liabilities		
Current income tax expense	683,101,577	320,928,773
Less: prepaid taxes	(175,968,185)	(371,764,586)
Current income tax liability / (asset)	507,133,392	(50,835,813)

Income tax expense for the periods ended 31 December 2024 and 31 December 2023 comprised of the following items:

	1 January - 31 December 2024	1 January - 31 December 2023
Current income tax expense	(651,766,727)	(320,928,773)
Deferred tax income / (expense)	(347,515,363)	455,522,042
Total tax income / (expense)	(999,282,090)	134,593,269

Deferred Tax

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

The tax rate used in the calculation of deferred tax assets and liabilities will be 25% for 2023, and 25% for 2024 taxation periods.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

As of 31 December 2024, and 31 December 2023 the breakdown of the accumulated temporary differences related to the Group and the deferred tax assets and liabilities using the applicable tax rates are as follows:

	Total temporary differences		Deferred tax asset / (liability)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provisions for employee termination benefits	370,421,849	322,751,897	92,605,463	80,687,975
Provisions for doubtful receivables	23,114,268	24,324,844	5,778,567	6,081,212
Provisions for lawsuits	3,611,214	4,786,872	902,804	1,196,718
Provision for unused vacations	69,569,682	47,136,364	17,392,421	11,784,091
Carry-forward tax losses (*)	566,908,799	607,662,785	102,043,584	48,159,036
Discount income from financing	(262,692,777)	(279,410,132)	(65,673,194)	(69,852,533)
Provision of performance premium	-	35,367,386	-	8,841,847
Foundation and organization expenses	927,144	1,338,599	231,786	334,650
Exchange rate difference activation	219,377,182	179,593,838	54,844,296	44,898,460
Net differences between the carrying values and tax bases of investment properties	(2,606,624,023)	(1,800,585,975)	(651,656,006)	(243,952,694)
Revaluation differences on property, plant and equipment	(4,115,118,938)	(3,249,937,344)	(778,351,197)	(476,932,236)
Other	(383,409,529)	60,839,174	(95,852,382)	15,209,793
Deferred tax assets / (liabilities), net	(6,113,915,129)	(4,046,131,692)	(1,317,733,858)	(573,543,681)

(*) As of 31 December 2024, based on the projections and future estimations, there is no previous year loss for which deferred tax is not recognized (31 December 2023: None).

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

Details of carry-forward tax losses are as below:

Previous year losses	31 December 2024	31 December 2023
2024	-	91,820,215
2025	95,293,820	114,987,145
2026	109,791,942	132,481,434
2027	108,163,111	130,515,990
2028	114,247,689	137,858,001
2029	139,412,237	-
	566,908,799	607,662,785

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Movements of deferred tax assets / (liabilities) as of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening	(573,543,681)	(705,680,612)
Charged to profit or loss	(347,515,363)	455,522,042
Actuarial gains recorded in equity	6,222,074	16,981,405
Revaluation difference recorded in equity	(622,946,353)	(317,405,642)
Currency translation differences	220,049,465	(57,508,100)
Other tax effects	-	34,547,226
End of the period	(1,317,733,858)	(573,543,681)

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

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

Total charge for the year can be reconciled to the accounting profit as follows:	1 January - 31 December 2024	1 January - 31 December 2023
Profit from before tax	2,651,481,280	495,925,253
Legal income tax rate	25%	25%
Tax expense at the legal income tax rate	(662,870,320)	(123,981,313)
Nonallowable charges	(40,432,428)	(39,959,121)
Deductions and exemptions	(11,250,000)	9,636,996
Available prior year losses, net	(26,285,008)	(20,706,915)
Effect of fixed asset valuation and inflation	(381,643,116)	54,697,678
Effect of different tax rates	6,796,349	5,396,343
Other tax effects, net	116,402,433	249,509,601
Income tax provision recognized in profit or loss	(999,282,090)	134,593,269

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 26 - EARNING PER SHARE

	1 January - 31 December 2024	1 January - 31 December 2023
Net gain for the year attributable to equity holders of the parent	1,511,223,709	842,912,833
Weighted average number of shares	662,000,000	662,000,000
Earning per share (TRY)	2.2828	1.2733

NOTE 27 - BORROWINGS

	31 December 2024	31 December 2023
Short term borrowings		
Short term foreign currency loans	2,931,075,914	2,739,013,663
Short term local currency loans	914,978,624	217,141,982
Current portion of long-term financial liabilities	110,407,200	248,319,418
Short term lease liabilities	80,873,576	73,718,651
	4,037,335,314	3,278,193,714

	31 December 2024	31 December 2023
Long term borrowings		
Long term foreign currency loans	844,633,734	465,543,989
Long term lease liabilities	160,155,754	216,269,892
	1,004,789,488	681,813,881

As of 31 December 2024, and 31 December 2023 details of short and long-term bank loans are as follows:

31 December 2024				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Jan. 2025	4.90 – 6.00	359,204	12,695,634
EUR	Jan. 2025 – Dec. 2026	4.29 – 11.00	105,204,055	3,869,637,814
TRY	Jan. 2025 – Sept. 2025	26.93 – 57.72	918,762,024	918,762,024
				4,801,095,472

31 December 2023				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	July 2024	10.60	1,565,698	66,666,131
EUR	May 2024 - Dec. 2025	6.50 - 10.00	71,871,877	3,386,210,939
TRY	Feb. 2024 - Sept. 2024	9.50 - 26.00	217,141,982	217,141,982
				3,670,019,052

	1 January - 31 December 2024	1 January - 31 December 2023
Movement of borrowings		
Opening	3,670,019,052	3,707,949,145
Foreign exchange differences	471,191,178	575,264,195
Interest paid	(414,276,304)	(600,568,067)
Interest accrual	474,633,583	605,885,575
Borrowing received in current year	4,505,642,531	4,022,189,621
Payments in current year	(2,675,974,852)	(3,183,091,209)
Inflation effect	(1,230,139,716)	(1,457,610,208)
Closing	4,801,095,472	3,670,019,052

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

NOTE 27 – BORROWINGS (Continued)

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

31 December 2024				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Jan. 2025 – Sept. 2025	5.25	1,934,894	68,386,507
EUR	Jan. 2025 – Dec. 2027	11.96 – 14.04	2,319,054	85,346,753
TRY	Jan. 2025 – Feb. 2028	16.83 – 49.00	87,296,070	87,296,070
				241,029,330

31 December 2023				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Jan. 2024 - Sep. 2025	5.25	3,679,483	156,669,355
EUR	Sep. 2024	3.66	338,107	15,929,758
TRY	Jan. 2024 - May. 2029	15.45 - 55.00	117,389,430	117,389,430
				289,988,543

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

a) Capital Risk Management

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

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

Net financial debt / total capital ratios as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Total financial liabilities	7,045,719,094	4,931,610,507
Less: Other receivables from related parties	6,092,683,811	2,580,657,548
Less: Cash and cash equivalents (Note 29)	2,108,994,836	64,100,708
Net financial debt	(1,155,959,553)	2,286,852,251
Total equity	12,465,819,150	10,520,221,884
Total capital	11,309,859,597	12,807,074,135
Net debt / total capital ratio	(0.10)	0.18

b) Financial Risk Factors

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

b.1) Credit Risk

Credit Risks Exposed According to Types of Financial Instruments

31 December 2024	Receivables				Deposits at Banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of balance sheet date (*)	1,906,184,503	1,636,349,071	6,092,683,811	207,331,338	2,108,994,836
- Secured portion of the maximum credit risk by guarantees (**)	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,906,184,503	1,149,088,884	6,092,683,811	207,331,338	2,108,994,836
B. Net book value of financial assets that are past due but not impaired	-	487,260,187	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	617,351,235	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	54,758,260	-	-	-
- Impairment	-	(54,758,260)	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

b.1) Credit Risk (Continued)

Credit Risks Exposed According to Types of Financial Instruments

31 December 2023	Receivables				Deposits at Banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum credit risk exposed as of balance sheet date (*)	2,071,141,457	1,771,996,644	2,580,657,548	203,068,407	64,100,708
- Secured portion of the maximum credit risk by guarantees (**)	-	259,400,131	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,854,879,439	1,357,681,324	2,580,657,548	203,068,407	64,100,708
B. Net book value of financial assets that are past due but not impaired	216,262,018	414,315,320	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	348,929,120	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	67,528,342	-	-	-
- Impairment	-	(67,528,342)	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured portion of the net book value by guarantees	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

As of 31 December 2024 and 2023, the aging of trade receivables that are past due but not impaired are as below:

	31 December 2024	31 December 2023
Past due up to 30 days	355,147,123	287,133,891
Past due 1 - 3 months	131,289,393	127,032,341
Past due 3 - 12 months	30,731	149,088
Total past due receivables	486,467,247	414,315,320
Secured portion of receivables by guarantees	617,351,235	348,929,120

b.2) Liquidity Risk

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

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

Contractual Maturities

	Non-Derivative Financial Liabilities				
	Carrying value	Total Contractual Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
31 December 2024					
Borrowings	4,801,095,472	4,801,095,472	987,715,198	2,576,041,125	1,237,339,149
Lease Liabilities	241,029,330	241,029,330	16,007,517	64,866,059	160,155,754
Trade payables to third parties	4,949,702,446	4,949,702,446	3,081,155,797	1,868,546,649	-
Trade payables to related parties	60,676,089	60,676,089	60,676,089	-	-
Other payables	1,825	1,825	1,825	-	-
Other payables to related parties	2,003,594,292	2,003,594,292	-	1,494,746,539	508,847,753
Payables to employees	152,725,838	152,725,838	152,725,838	-	-
	12,208,825,292	12,208,825,292	4,298,282,264	6,004,200,372	1,906,342,656

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Contractual Maturities (Continued)

31 December 2023	Carrying value	Non-Derivative Financial Liabilities			
		Total	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)
		Contractual Cash Outflows (I+II+III)			
Borrowings	3,670,019,052	3,670,019,052	2,682,251,547	522,223,516	465,543,989
Lease Liabilities	289,988,543	289,988,543	145,510,436	48,200,943	96,277,164
Trade payables to third parties	5,680,109,030	5,680,109,030	3,481,751,732	2,198,357,298	-
Trade payables to related parties	52,090,857	52,090,857	52,090,857	-	-
Other payables	170,010	170,010	170,010	-	-
Other payables to related parties	971,602,912	971,602,912	-	-	971,602,912
Payables to employees	120,207,725	120,207,725	120,207,725	-	-
	10,784,188,129	10,784,188,129	6,481,982,307	2,768,781,757	1,533,424,065

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

b.3) Market Risk Management

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

The Group evaluates market risk with sensitivity analysis.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Currency Risk Management

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

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

31 December 2024	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	858,620,860	23,974,908	339,235	7,164
2a. Monetary Financial Assets	564,815,808	8,610,877	6,955,897	124,149
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	195,429,829	745,649	4,603,718	-
4.CURRENT ASSETS (1+2+3)	1,618,866,497	33,331,434	11,898,850	131,313
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	666,815	18,900	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS (5+6+7)	666,815	18,900	-	-
9. TOTAL ASSETS (4+8)	1,619,533,312	33,350,334	11,898,850	131,313
10. Trade Payables	2,939,273,763	6,964,477	73,213,457	82,402
11. Financial Liabilities	3,062,845,759	359,204	82,936,820	-
12a. Monetary Other Liabilities	100,495,421	1,312,292	1,474,408	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	6,102,614,943	8,635,973	157,624,685	82,402
14. Trade Payables	4,430,120	125,344	-	-
15. Financial Liabilities	973,220,949	1,934,894	24,586,289	-
16a. Monetary Other Liabilities	42,451,002	1,203,249	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	1,020,102,071	3,263,487	24,586,289	-
18. TOTAL LIABILITIES (13+17)	7,122,717,014	11,899,460	182,210,974	82,402
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(5,503,183,702)	21,450,874	(170,312,124)	48,911
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(5,503,183,702)	21,450,874	(170,312,124)	48,911
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	2,890,833,737	67,920,118	9,193,268	12,510
24. Import	(5,128,049,788)	(14,673,379)	(120,164,923)	(281,032)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

31 December 2023	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	470,518,770	10,248,807	742,177	283
2a. Monetary Financial Assets	48,348,030	869,334	236,228	5,391
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	20,071,691	43,102	387,834	-
4.CURRENT ASSETS (1+2+3)	538,938,491	11,161,243	1,366,239	5,674
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS (5+6+7)	-	-	-	-
9. TOTAL ASSETS (4+8)	538,938,491	11,161,243	1,366,239	5,674
10. Trade Payables	2,761,123,596	6,883,376	52,371,637	5,849
11. Financial Liabilities	2,986,988,465	1,565,698	61,990,768	-
12a. Monetary Other Liabilities	37,802,928	190,126	630,538	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	5,785,914,989	8,639,200	114,992,943	5,849
14. Trade Payables	-	-	-	-
15. Financial Liabilities	638,143,122	3,679,483	10,219,217	-
16a. Monetary Other Liabilities	49,910,725	1,172,186	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	688,053,847	4,851,669	10,219,217	-
18. TOTAL LIABILITIES (13+17)	6,473,968,836	13,490,869	125,212,160	5,849
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(5,935,030,345)	(2,329,626)	(123,845,921)	(175)
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(5,935,030,345)	(2,329,626)	(123,845,921)	(175)
22. Fair value of financial instruments used for currency hedge				
23. Hedged foreign currency assets	-	-	-	-
24. Export	4,012,683,059	67,074,898	8,063,917	-
24.Import	(8,439,962,859)	(3,310,662)	(141,868,879)	(196,325)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Sensitivity Analysis to Currency Risk

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

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2024		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	75,603,765	(75,603,765)
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	75,603,765	(75,603,765)
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(626,868,262)	626,868,262
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(626,868,262)	626,868,262
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	946,126	(946,126)
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	946,126	(946,126)
TOTAL (3+6+9)	(550,318,371)	550,318,371

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2023		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(6,929,636)	6,929,636
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(6,929,636)	6,929,636
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(404,149,460)	404,149,460
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(404,149,460)	404,149,460
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	(182,423,938)	182,423,938
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	(182,423,938)	182,423,938
TOTAL (3+6+9)	(593,503,034)	593,503,034

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Interest Rate Risk Management

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

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

Interest Position	31 December 2024	31 December 2023
Fixed interest rate instruments		
Borrowings	4,319,946,231	3,296,795,817
Cash and cash equivalents (term deposits)	1,846,001,289	15,597,773
Trade receivables	3,542,533,574	3,843,138,101
Other receivables	6,300,015,149	2,783,725,955
Trade payables	5,010,378,535	5,732,199,887
Other payables	2,003,596,117	971,772,922
Variable interest rate instruments		
Borrowings	722,178,571	663,211,778

NOTE 29 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash at banks	2,007,680,215	63,008,867
- Demand deposits	161,678,926	47,411,094
- Time deposits (*)	1,846,001,289	15,597,773
Credit card receivables	101,314,621	1,091,841
	2,108,994,836	64,100,708

(*) The maturity of the balances constituting the relevant amount is between January 2-7, 2025, and the interest rate for Turkish Lira-based time deposits is 43.71% - 48.92%, for Euro-based time deposits it is 1% - 1.25% and for US Dollar-based time deposits it is 2% - 2.1%. (December 31, 2023: The interest rate for TRY-based time deposits is 32%, and for EUR-based time deposits it is 0.5%)

NOTE 30 - SUBSEQUENT EVENTS

In line with the Board of Directors' resolution dated 27.12.2024, and considering our company's expanding product portfolio and strategic focus areas, a decision has been made to change the company's trade name to "Besler Food and Chemical Industry and Trade Joint Stock Company" in order to create a corporate identity that better aligns with our long-term goals in the food sector. This change will be submitted for shareholder approval at the first General Assembly Meeting, with the amendment of Article 3, titled "Company Name," of the company's Articles of Association. Regarding this matter, the approval processes of the Capital Markets Board (CMB) and the Ministry of Trade have been completed in 2025. The draft amendment of the Articles of Association will be presented for shareholder approval at the 2024 Annual General Assembly Meeting.

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