

**ATAKEY PATATES GIDA
SANAYİ VE TİCARET A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
AS OF SEPTEMBER 30, 2024**

(Originally issued in Turkish)

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(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	Notes	Not Audited 30 September 2024	Audited 31 December 2023
ASSETS			
Cash and cash equivalents	3	736,597,090	1,189,915,810
Trade receivables			
<i>Trade receivables from related parties</i>	6-24	248,584,761	195,568,142
<i>Trade receivables from third parties</i>	6	60,778,902	70,048,562
Other receivables	7	1,637,625	2,224,883
Inventories	8	1,297,761,378	1,424,396,071
Prepaid expenses	15	5,644,918	6,804,122
Other current assets	14	170,321,412	167,177,637
Total Current Assets		2,521,326,086	3,056,135,227
Other receivables	7	1,622,380	2,005,375
Property, plant and equipment	9	2,325,950,616	2,160,341,695
Intangible assets	10	2,312,108	1,409,774
Right of use assets	11	10,240,345	8,635,268
Derivative instruments		6,252,758	4,797,172
Prepaid expenses	15	109,009,541	-
Deferred tax assets	23	185,789,267	322,162,616
Total Non-Current Assets		2,641,177,015	2,499,351,900
TOTAL ASSETS		5,162,503,101	5,555,487,127

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

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	Notes	Not Audited 30 September 2024	Audited 31 December 2023
LIABILITIES			
Short-term borrowings	4	-	505,124,839
Current portion of long-term borrowings	4	228,861,935	234,151,142
Short-term lease liabilities	5	5,033,156	3,261,273
Trade payables			
<i>Trade payables to related parties</i>	6-24	23,611,138	5,943,170
<i>Trade payables to third parties</i>	6	420,805,942	486,363,241
Other payables			
<i>Other payables to related parties</i>	7-24	124,164,653	-
<i>Other payables to third parties</i>	7	2,380,822	-
Employee benefit payables	13	5,929,895	5,881,317
Short-term provisions			
<i>Provisions for employee benefits</i>	13	6,542,894	3,515,301
<i>Litigation provisions</i>	12	2,161,843	2,937,087
Current tax liabilities	23	5,641,286	14,670,628
Other current liabilities	14	8,899,239	3,397,607
Total Current Liabilities		834,032,803	1,265,245,605
Long-term borrowings	4	187,491,986	115,846,448
Long-term lease liabilities	5	3,229,930	2,069,002
Long-term provisions			
<i>Provisions for employee benefits</i>	13	9,829,174	6,923,562
Total Non-Current Liabilities		200,551,090	124,839,012
EQUITY			
Share capital	16	138,768,000	138,768,000
Adjustments to share capital	16	798,445,306	798,445,306
Share premium		1,217,480,002	1,217,480,002
Other comprehensive expenses not to be reclassified			
- Remeasurement losses of defined benefit plans	16	687,008	243,142
- Revaluation of property, plant and equipment	16	714,826,680	714,826,680
Other comprehensive losses to be reclassified under profit or losses			
- Cash flow hedge reserves	16	(77,057,228)	(163,098,298)
Legal reserves	16	174,870,738	-
Retained earnings		1,150,985,101	1,057,075,140
Net profit for the period		8,913,601	401,662,538
Total Equity		4,127,919,208	4,165,402,510
TOTAL LIABILITIES AND EQUITY		5,162,503,101	5,555,487,127

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

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024 AND 2023 CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Profit or loss					
Revenue	18	2,519,840,166	2,612,896,224	658,030,250	1,037,089,239
Satışların maliyeti (-)	18	(2,141,263,756)	(1,911,059,032)	(566,599,098)	(688,163,378)
Gross profit		378,576,410	701,837,192	91,431,152	348,925,861
General administrative expenses (-)	19	(99,992,447)	(79,524,747)	(34,477,202)	(29,391,314)
Other operating income	20	66,408,526	69,161,243	36,258,595	29,121,445
Other operating expenses (-)	20	(84,525,561)	(122,619,078)	21,245,376	(13,834,719)
Operating profit		260,466,928	568,854,610	114,457,921	334,821,273
Income related to investing activities	21	243,887,957	114,173,006	57,628,087	83,376,187
Expense related to investing activities (-)	21	(9,667,714)	(7,211,498)	(6,543,975)	(3,849,789)
Operating profit before financial expenses		494,687,171	675,816,118	165,542,033	414,347,671
Financial income	22	-	725,394	-	250,195
Financial expenses (-)	22	(160,433,469)	(363,610,985)	(37,304,468)	(132,631,853)
Monetary gain / (loss)		(191,466,046)	187,541,066	(81,171,051)	77,503,926
Earning / (Loss) before tax		142,787,656	500,471,593	47,066,514	359,469,939
Tax income					
Current tax expense	23	(26,329,018)	(117,382,607)	(8,455,569)	(20,590,467)
Deferred tax income	23	(107,545,037)	(219,230,659)	(77,200,561)	(186,354,217)
Net profit for the year		8,913,601	163,858,327	(38,589,616)	152,525,255
Earning per share	17	0.06	1.34	(0.28)	1.24

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

**FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024 AND 2023 CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
NET PROFIT FOR THE YEAR	8,913,601	163,858,327	(38,589,616)	152,525,255
Other comprehensive income				
	86,484,936	(30,712,423)	11,497,870	97,495,398
Items that will not to be reclassified subsequently to profit or loss:				
Revaluation of defined benefit plans and measurement gains	591,821	(267,673)	155,965	(889,200)
Revaluation of defined benefit plans and measurement losses tax income/expense	(147,955)	53,535	(60,783)	177,841
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedging losses	114,721,427	(38,122,858)	15,203,585	122,758,444
Cash flow hedging losses tax income/expense	(28,680,357)	7,624,573	(3,800,897)	(24,551,687)
TOTAL COMPREHENSIVE INCOME	95,398,537	133,145,904	(27,091,746)	250,020,653

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

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

						Other comprehensive income/(expense) will be reclassified to profit or loss	Other comprehensive income/ (expense) will not be reclassified to profit or loss				
	Notes	Share capital	Adjustment to share capital	Legal reserves	Share premium(*)	Cash flow hedging losses	Remeasurement of defined benefit liabilities	Revaluation of property plant and equipment	Net income for the period	Retained earnings	Total
Balance at											
1 January 2024	16	138,768,000	798,445,306	-	1,217,480,002	(163,098,298)	243,142	714,826,680	401,662,538	1,057,075,140	4,165,402,510
<i>Profit for the year</i>		-	-	-	-	-	-	-	8,913,601	-	8,913,601
<i>Other comprehensive income</i>		-	-	-	-	86,041,070	443,866	-	-	-	86,484,936
Total Comprehensive Income		-	-	-	-	86,041,070	443,866	-	8,913,601	-	95,398,537
Transfers to legal reserves		-	-	174,870,738	-	-	-	-	-	(174,870,738)	-
Dividend payment		-	-	-	-	-	-	-	-	(132,881,839)	(132,881,839)
Transfers		-	-	-	-	-	-	-	(401,662,538)	401,662,538	-
Balance at											
30 September 2024	16	138,768,000	798,445,306	174,870,738	1,217,480,002	(77,057,228)	687,008	714,826,680	8,913,601	1,150,985,101	4,127,919,208
Balance at											
1 January 2023	16	117,600,000	783,478,483	-	-	(150,532,081)	201,174	303,707,475	1,256,049,926	(197,386,648)	2,113,118,329
<i>Profit or the year</i>		-	-	-	-	-	-	-	163,858,327	-	163,858,327
<i>Other comprehensive income</i>		-	-	-	-	(30,498,285)	(214,138)	-	-	-	(30,712,423)
Total Comprehensive Income		-	-	-	-	(30,498,285)	(214,138)	-	163,858,327	-	133,145,904
Increase due to share-based payment transactions		-	-	-	1,217,480,002	-	-	-	-	-	1,217,480,002
Capital increase	21,168,000	14,966,823	-	-	-	-	-	-	-	-	36,134,823
Transfers		-	-	-	-	-	-	-	(1,256,049,926)	1,256,049,926	-
Balance at											
30 September 2023	16	138,768,000	798,445,306	-	1,217,480,002	(181,030,366)	(12,964)	303,707,475	163,858,327	1,058,663,278	3,499,879,058

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

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF CASH FLOWS

FOR THE ACCOUNTING PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023
Cash Flows From Operating Activities			
Net profit for the period		8,913,601	163,858,327
Adjustments related to reconciliation of net profit/(loss) for the period		820,282,032	1,476,434,834
Depreciation and amortization expense	9-10-11	155,882,594	81,281,969
Adjustments for provisions			
provisions related to employee benefits	13	13,190,408	10,706,841
Adjustments related to interest income and expenses			
Interest income	22	(132,478,579)	(27,075,046)
Adjustments regarding participation fee income	22	(93,686,852)	-
Interest expense	22	27,063,404	88,997,371
Deferred financial expense			
arising from credit purchases	20	5,072,365	34,841,851
Unearned finance income			
arising from credit sales	20	(794,411)	(18,085,385)
Depreciation and amortization on leases	11	7,063,144	4,947,153
Interest (expense) on leases, net	5-22	804,687	842,107
Adjustments related to tax income	23	133,874,055	336,613,266
Foreign exchange expenses related to leasing transactions	4	127,799,997	253,516,497
Monetary gain		576,491,220	709,848,210
Changes in Working Capital		(375,395,071)	(965,162,901)
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties		(119,879,464)	(479,668,718)
Increase in trade receivables from third parties		(15,651,164)	10,153,511
Adjustments related to increase in other current assets		(52,755,973)	(52,270,497)
Increase in inventories		(311,726,988)	(528,227,136)
Decrease in prepaid expenses		1,159,204	(10,632,596)
Adjustments related to (increase)/decrease in trade payables			
Increase in due to related parties		22,043,840	59,836,469
Increase in trade payables to third parties		72,744,497	244,168,865
Adjustments related to deferred revenues		-	(220,393,026)
Increase / (decrease) in other liabilities		28,838,608	11,870,227
Adjustments related to (increase)/decrease in other receivables		(167,631)	-
Cash Flows From Operations		(29,112,482)	(122,143,465)
Income taxes paid	23	(26,329,018)	(117,382,607)
Employee benefits paid	13	(2,783,464)	(4,760,858)

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

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF CASH FLOWS

FOR THE ACCOUNTING PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023
Cash Flows From Investing Activities		(205,237,959)	(47,280,631)
Cash outflows from purchase of property, plant and equipment	9	(321,057,151)	(73,850,938)
Cash outflows from purchase of intangible assets	10	(1,336,698)	(504,739)
Advanced received for tangible assets	15	(109,009,541)	-
Interest received	22	226,165,431	27,075,046
Cash Flows From Financing Activities		(327,341,798)	698,600,038
Capital increase		-	21,168,000
Net cash inflows resulting from share premium		-	778,014,909
Cash inflows from loans	4	219,616,479	1,102,115,823
Cash outflows related to loan repayments	4	(496,621,495)	(1,122,248,106)
Interest paid		(45,456,785)	(75,667,761)
Payments for lease transactions	5	(804,687)	(842,107)
Interest payments related to leasing transactions	5	(4,075,310)	(3,940,720)
THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS		(345,427,043)	(60,791,780)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(453,318,720)	1,143,514,422
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	1,189,915,810	196,647,185
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	736,597,090	1,340,161,607

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

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY

Atakey Patates Gıda Sanayi ve Ticaret A.Ş. ("the Company") was established on 21 September 2012. The company's main activity is to provide potato production and supply for TAB Gıda brands, related subsidiaries operating in China, and third parties.

TFI TAB Gıda Yatırımları A.Ş. has purchased the shares from Ozgorkey Food Products Ind. and Trade Inc., which held 50% of the Company's shares, on June 28, 2019, and as of December 31, 2019, it became the party that holds the main control with the Company's main partner.

Within the framework of the company's plans to go public; The Initial Public Offering (IPO) Prospectus was approved by the Capital Markets Board on July 13, 2023. As of the amount on July 13, 2023, the Company has carried out its IPO in Borsa Istanbul Inc. with a size of TL 1.114.848.000, at a price of TL 39,50 each, using the "Fixed Price Demand Collection Method" between the dates of July 19-21, 2023. As of July 27, 2023, the company's paid-in capital reached TL 138.768.000. The "B" Company shares that were offered to the public started trading on Borsa Istanbul Inc. "Yıldız Pazar" on July 27, 2023.

As at 30 September 2024 the average number of personnel employed during the year is 219 (31 December 2023: 229).

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

Approval of the financial statements

The financial statements were approved by the Board of Directors on October 30, 2024. These financial statements will be finalized upon approval at the General Assembly.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Principles of preparation of financial statements

The accompanying financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The financial statements of the Company are prepared as per the CMB announcement of 4 July 2024 relating to financial statements presentations.

The Company complies with the principles and conditions issued by the CMB, the TTC, tax legislation, and the Uniform Chart of Accounts conditions issued by the Ministry of Finance in keeping its accounting records and preparing its statutory financial statements. However, the financial statements are based on the Company's statutory records and are expressed in TL, and have been arranged by reflecting the necessary corrections and classification, including those related to changes in the purchasing power of the TL, to present the Company's status in accordance with TFRS.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.1 Basic Principles of Presentation (cont’d)

Financial reporting in hyperinflationary economy

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

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 30 September 2024 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year end	Index
2004	113.86
2005	122.65
2006	134.49
2007	145.77
2008	160.44
2009	170.91
2010	181.85
2011	200.85
2012	213.23
2013	229.01
2014	247.72
2015	269.54
2016	292.54
2017	327.41
2018	393.88
2019	440.50
2020	504.81
2021	686.95
2022	1,128.45
2023	1,859.38
2023/06	1,351.59
2023/09	1,691.04
2023	1,859.38
2024/06	2,319.29
2024/09	2,526.16

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (cont'd)

Financial reporting in hyperinflationary economy (cont'd)

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index-linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 30 September 2024. Non-monetary items which are not expressed in terms of measuring unit as of 30 September 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items acquired or assumed before January 1, 2005, when the definition of the Turkish Lira as the currency of a high-inflation economy was terminated, and equity that was put into operation or formed before this date are subject to adjustment according to the change in the CPI from January 1, 2005 to September 30, 2024.

The implementation of IAS 29 necessitated adjustments to the Net Monetary Position Gains (Losses) item in the profit or loss section of the profit or loss and other comprehensive income statement due to the decrease in the purchasing power of the Turkish Lira. As long as the value of monetary assets or liabilities does not depend on changes in the index, the purchasing power of enterprises carrying monetary assets higher than monetary liabilities weakens during the inflation period, while the purchasing power of enterprises carrying a higher amount of monetary obligations than monetary assets increases. Net monetary position gain or loss is derived from the adjustment differences of non-monetary items, shareholders' equity, items in the profit or loss and other comprehensive income statement, and index-linked monetary assets and liabilities.

Functional and Reporting Currency

The individual financial statements of each Company entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company is presented in Turkish Lira ("TL"), which is the functional currency of the Company and the presentation currency of the Company's financial statements.

Comparative Information and Correction of Financial Statements from Previous Period

To identify trends in financial position and performance, the Company's financial statements are prepared with comparative data from the previous period. To ensure consistency with the presentation of current period financial statements, comparative information is reclassified when necessary, and significant differences are disclosed. No reclassifications or corrections relating to the comparative period have been made in the accompanying financial statements.

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (cont'd)

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2 Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Company has not made any changes in accounting policies in the current year.

2.3 Changes and Errors in Accounting Estimates

If the changes in accounting estimates and errors are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. The Company has not changed any accounting estimates and no significant accounting policy errors have been identified in the current year.

2.4 New and Revised Turkish Accounting Standards

As of 30 September 2024, the accounting policies adopted in preparation of the financial statements as of September 30, 2024, are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024, and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

a) The new standard, amendments and interpretations effective as of January 1, 2024.

Amendments to TAS 1 - Disclosure of Accounting Policies

In June 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

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

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

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

b) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

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

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025, with the announcement made by the POA

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

2.5 Significant accounting policies

The interim condensed financial statements for the period ending 30 September 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The significant accounting policies used in the preparation of the interim condensed financial statements are consistent with those detailed in the financial statements as of 31 December 2023. Therefore, the interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2023.

2.6 Going Concern Assumption

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

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NOTE 3 - CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash on hand	3,154	10,146
Demand deposits at bank	139,844,463	3,427,527
Time deposits at bank	596,749,473	1,186,478,137
	736,597,090	1,189,915,810

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

Currency Type	Interest Rate (%)	Maturity	30 September 2024
TL	49.50%	30 October 2024	596,749,473
			596,749,473

Currency Type	Interest Rate (%)	Maturity	31 December 2023
TL	30% - 46.5%	29 March 2024	1,186,478,137
			1,186,478,137

NOTE 4 - BORROWINGS

The details of the Company's financial liabilities as at 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Short term bank borrowings	-	505,124,839
Current portion of long-term borrowings	228,861,935	234,151,142
Total short-term borrowings	228,861,935	739,275,981
Long-term bank borrowings	187,491,986	115,846,448
Total long-term borrowings	187,491,986	115,846,448
Total borrowings	416,353,921	855,122,429

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NOTE 4 – BORROWINGS (cont'd)

	30 September 2024	31 December 2023
To be paid within 1 year	228,861,935	739,275,981
To be paid between 1-2 years	72,879,387	88,106,875
To be paid between 2-3 years	42,720,266	27,739,573
To be paid between 3-4 years	38,040,596	-
To be paid between 4-5 years	33,851,737	-
	416,353,921	855,122,429

Details of the bank loans are as follows:

Currency Type	Weighted Average Effective Interest Rate	30 September 2024	
		Current	Non-current
EUR	%7.97	202,579,245	187,491,986
USD	%10.97	26,282,690	-
		228,861,935	187,491,986

Currency Type	Weighted Average Effective Interest Rate	31 December 2023	
		Current	Non-current
TRY	20.3%	80,249,982	-
EUR	6.9%	382,897,669	106,525,743
USD	8.3%	276,128,330	9,320,705
		739,275,981	115,846,448

The movement of the Company's financial liabilities as at 30 September 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	855,122,429	1,232,557,061
Purchases	219,616,479	1,102,115,823
Payments (-)	(496,621,495)	(1,122,248,106)
Exchange differences (Not 22)	127,799,997	253,516,497
Letter of guarantee commission payments	3,407,188	20,179,894
Cash flow hedging losses	(86,041,070)	30,498,285
Interest payments	(45,456,785)	(75,667,761)
Interest expense (Not 22)	27,063,404	88,997,371
Monetary gain	(188,536,226)	(402,958,938)
Closing balance at 30 September	416,353,921	1,126,990,126

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NOTE 5 - LEASE LIABILITIES

	30 September 2024	31 December 2023
Short-term lease liabilities	5,033,156	3,261,273
Total short-term lease liabilities	5,033,156	3,261,273
Long-term lease liabilities	3,229,930	2,069,002
Total long-term lease liabilities	3,229,930	2,069,002
Total lease liabilities	8,263,086	5,330,275

	30 September 2024	31 December 2023
To be paid within 1 year	5,033,156	3,261,273
To be paid between 1-2 years	1,795,425	1,928,354
To be paid between 2-5 years	1,434,505	140,648
	8,263,086	5,330,275

The movement of the Company's finance lease payables as at 30 September 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	5,330,275	7,272,733
Purchases	8,668,221	6,658,830
Payments (-)	(4,075,310)	(3,940,720)
Interest expense (Not 22)	804,687	842,107
Exchange differences (Not 22)	394,901	(725,394)
Monetary gain	(2,859,688)	(2,984,984)
Closing balance at 30 September	8,263,086	7,122,572

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	30 September 2024	31 December 2023
Trade receivables	65,905,275	77,436,021
Trade receivables from related parties (Note 24)	248,584,761	195,568,142
Impairment provision for trade receivables (-)	(5,126,373)	(7,387,459)
	309,363,663	265,616,704

The average period for trade receivables, excluding related parties, is 31 days (December 31, 2023: 34 days). The average period for trade receivables from related parties is 41 days (December 31, 2023: 52 days).

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

	2024	2023
Opening balance as of 1 January	(7,387,459)	(9,300,184)
Collected provisions	328,240	128,498
Monetary gain	1,932,846	3,106,858
Closing balance as of 30 September	(5,126,373)	(6,064,828)

b) Trade Payables

	30 September 2024	31 December 2023
Trade payables	420,805,942	486,363,241
Trade payables to related parties (Note 24)	23,611,138	5,943,170
	444,417,080	492,306,411

The average term for trade payables, excluding related parties, is 95 days (December 31, 2023: 74 days).

Trade receivables and payables have been presented by discounting with the effective interest method. The effective interest rate of %43,90 (December 31, 2023: 37,22%) was based to determine the value of trade receivables and payables. The doubtful receivables provision allocated for trade receivables has been determined based on past non-collection experience.

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

<u>Short-term other receivables</u>	30 September 2024	31 December 2023
Revenue accruals	1,637,625	2,224,883
	1,637,625	2,224,883
<u>Long-term other receivables</u>		
Agricultural incentive receivables	1,476,056	-
Other	146,324	2,005,375
	1,622,380	2,005,375

b) Other Payables

<u>Short-term other payables</u>	30 September 2024	31 December 2023
Other payables to related parties	124,164,653	-
Other	2,380,822	-
	126,545,475	-

NOTE 8 - INVENTORIES

	30 September 2024	31 December 2023
Finished goods	727,120,610	887,097,209
Raw materials	399,678,973	503,381,628
Semi-finished goods	160,491,797	18,487,250
Trade goods	10,432,908	13,784,650
Other inventories	37,090	1,645,334
	1,297,761,378	1,424,396,071

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	Lands	Land improvements	Buildings	Plant Machinery and Equipment	Vehicles	Furniture & Fixture	Construction in progress	Total
Cost:								
Opening balance as of 1 January 2024	574,754,453	87,486,857	873,727,294	1,914,201,660	23,181,668	92,129,407	1,968,399	3,567,449,738
Additions	-	2,189,439	2,436,511	92,285,674	9,860,922	1,862,186	212,422,419	321,057,151
Closing balance on 30 September 2024	574,754,453	89,676,296	876,163,805	2,006,487,334	33,042,590	93,991,593	214,390,818	3,888,506,889
Accumulated Depreciation:								
Opening balance as of 1 January 2024	-	(47,636,077)	(326,733,601)	(954,293,391)	(21,286,036)	(57,158,938)	-	(1,407,108,043)
Charge for the period	-	(9,910,896)	(15,327,076)	(125,956,031)	(2,039,509)	(2,214,718)	-	(155,448,230)
Closing balance on 30 September 2024	-	(57,546,973)	(342,060,677)	(1,080,249,422)	(23,325,545)	(59,373,656)	-	(1,562,556,273)
Net Book Value	574,754,453	32,129,323	534,103,128	926,237,912	9,717,045	34,617,937	214,390,818	2,325,950,616

Depreciation expenses amounting to TL 122.168.493 is included in cost of sales, TL 3.003.364 is included in general administrative expenses and TL 30.276.374 TL is included in other operating expenses.

As of September 30, 2024, there are no capitalized finance costs on fixed assets. (30 September 2023: None).

As of September 30, 2024, the net book value of the lands, plots, underground and above-ground arrangements, and buildings that are subject to mortgage related to the loans received is TL 1.140.986.904 (31 December 2023: TL 1.161.598.926).

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont’d)

	Lands	Land improvements	Buildings	Plant Machinery % Equipment	Vehicles	Furniture & Fixture	Construction in progress	Total
Cost:								
Opening balance as of 1 January 2023	347,575,619	78,969,031	697,175,779	1,664,392,892	22,437,164	87,455,241	1,482,532	2,899,488,258
Additions	-	-	2,109,086	64,517,625	589,197	4,274,544	2,360,486	73,850,938
Transfers	-	1,174,121	-	-	-	-	(1,174,121)	-
Closing balance as of 30 September 2023	347,575,619	80,143,152	699,284,865	1,728,910,517	23,026,361	91,729,785	2,668,897	2,973,339,196
Accumulated Depreciation:								
Opening balance as of 1 January 2023	-	(38,241,989)	(251,819,890)	(765,145,176)	(20,474,751)	(54,072,284)	-	(1,129,754,090)
Charge for the period	-	(4,927,882)	(7,923,362)	(65,275,631)	(616,651)	(2,238,245)	-	(80,981,771)
Closing balance as of 30 September 2023	-	(43,169,871)	(259,743,252)	(830,420,807)	(21,091,402)	(56,310,529)	-	(1,210,735,861)
Net Book Value	347,575,619	36,973,281	439,541,613	898,489,710	1,934,959	35,419,256	2,668,897	1,762,603,335

Depreciation and write-off expenses of TL 49,015,529 have been included in the cost of sales, TL 1,406,529 in general administrative expenses, and TL 30,559,713 in other operating expenses.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	<u>Useful Life</u>
Land improvements	5-50 years
Buildings	50 years
Machinery and equipment	2-21 years
Vehicles	5 years
Furniture & Fixture	2-20 years

The fair value measurements of the Company's tangible fixed assets

The Company has chosen the revaluation model from the application methods in TMS 16 in terms of showing the fair values of its land and plots, underground and above-ground arrangements, buildings, and plant machinery and equipment. The related assets have been revalued using the "comparable market method" and "cost method" as of December 31, 2023, and the works have been conducted by Kale Taşınmaz Değerleme ve Danışmanlık A.Ş. a valuation company authorized by the Capital Markets Board. The fair values, determined in these valuations, of the land and plots, underground and above-ground arrangements, buildings, and plant machinery and equipment have been reflected in the financial statements dated December 31, 2023.

Tangible Fixed Assets	Valuation Techniques	Significant unobservable input	Sensitivity
Lands	Market Approach Method	Valuation experts have used price adjustments per square meter based on the most recent transactions, taking into account the characteristics of the spaces subject to the valuation.	The decision by valuation experts to make corrections affects the fair value of the property. A significant increase in the price per square meter of land will result in a significant increase or decrease in the fair value.
Buildings, Land improvements	Cost Approach	Estimates by valuation experts and past experiences related to the cost of rebuilding the buildings and the depreciation rates used in the valuation have been used.	The decision by the valuation experts, based on past experience, influences the fair value of the real estate. An increase in the reconstruction cost will result in an increase in the fair value.
Machinery, Equipment and Installations	Cost Approach	In the appraisal, estimates by the valuation expert and depreciation rates have been used.	The decision of the valuation expert, based on past experiences, impacts the fair value of plant, machinery and equipment. A change in the foreign currency and inflation index will lead to an increase or decrease in the fair value.

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NOTE 10 - INTANGIBLE ASSETS

	Rights, Licenses and Computer Software	
	2024	2023
Cost:		
Opening balance as of 1 January 2023	7,237,562	6,732,824
Additions	1,336,698	504,739
Closing balance as of 30 September	8,574,260	7,237,563
Accumulated Amortization:		
Opening balance as of 1 January	(5,827,788)	(5,427,524)
Charge for period	(434,364)	(300,198)
Closing balance as of 30 September	(6,262,152)	(5,727,722)
Net Book Value	2,312,108	1,509,841

Depreciation expenses of intangible fixed assets of TL 341.371 (30 September 2023: TL 181.700) have been included in the cost of goods sold, TL 8.392 of general administrative expense (30 September 2023: TL 5.214) and TL 84.600 of other operating expenses (30 September 2023: TL 113.284).

The economic life of rights is 15 years, and for computer software and licenses, it is 3 years. Intangible fixed asset items have been depreciated in a manner consistent with useful life using the straight-line depreciation method.

NOTE 11 - RIGHT OF USE ASSETS

	Vehicles	Total
Cost:		
Opening balance as of 1 January 2024	18,068,588	18,068,588
Additions	8,668,221	8,668,221
Disposals	(8,686,995)	(8,686,995)
Closing balance as of 30 September 2024	18,049,814	18,049,814
Accumulated Amortization:		
Opening balance as of 1 January 2024	(9,433,320)	(9,433,320)
Charge of period	(7,063,144)	(7,063,144)
Disposals	8,686,995	8,686,995
Closing balance as of 30 September 2024	(7,809,469)	(7,809,469)
Net Book Value	10,240,345	10,240,345

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NOTE 11 - RIGHT OF USE ASSETS (Cont'd)

	Vehicles	Total
Cost:		
Opening balance as of 1 January 2023	15,338,246	15,338,246
Additions	6,658,830	6,658,830
Disposals	(3,520,196)	(3,520,196)
Closing balance as of 30 September 2023	18,476,880	18,476,880
Accumulated Amortization:		
Opening balance as of 1 January 2023	(6,236,886)	(6,236,886)
Charge for the period	(4,947,153)	(4,947,153)
Disposals	3,520,196	3,520,196
Closing balance as of 30 September 2023	(7,663,843)	(7,663,843)
Net Book Value	10,813,037	10,813,037

The average term for vehicle lease agreements is 32 months.

Accounted for in profit or loss	1 January - 30 September 2024	1 January - 30 September 2023
Depreciation expense on right-of use assets	(7,063,144)	(4,947,153)
Interest expense on lease liabilities	(804,687)	(842,107)
Foreign exchange gain on lease liabilities (net)	(394,901)	725,394
Expenses related to variable lease payments not included in the measurement of lease liabilities	(6,724,945)	(1,192,990)
Total	(14,987,677)	(6,256,856)

	1 January - 30 September 2024	1 January - 30 September 2023
Fixed payments	4,075,310	3,940,720
Variable payments	6,724,945	1,192,990
Total	10,800,255	5,133,710

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Litigation provisions:

	30 September 2024	31 December 2023
Litigation provisions	2,161,843	2,937,087
	2,161,843	2,937,087

b) Guarantees, pledges and mortgages:

30 September 2024

GPMs given by the Company (Guarantees – Pledges – Mortgages)	Total TL Equivalents	USD	EUR	TL
A. Given in the Name of Its Own				
Legal Entity Total amount of GPMs	2,131,875,105	8,583,000	44,602,618	132,873,675
-Guarantees	362,989,605	1,583,000	4,602,618	132,873,675
-Mortgage	1,768,885,500	7,000,000	40,000,000	-
B. Included in the scope of full consolidation				
Given in favor of included companies				
GPM's given Total Amount	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary trade activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
Total	2,131,875,105	8,583,000	44,602,618	132,873,675

31 December 2023

GPMs given by the Company (Guarantees – Pledges – Mortgages)	Total TL Equivalents	USD	EUR	TL
A. Given in the Name of Its Own				
Legal Entity Total amount of GPMs	3,039,983,604	15,108,000	50,662,451	188,543,979
-Guarantees	986,124,280	8,108,000	10,662,451	188,543,979
-Mortgages	2,053,859,324	7,000,000	40,000,000	-
B. Included in the scope of full consolidation				
Given in favor of included companies				
GPM's given Total Amount	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary trade activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
Total	3,039,983,604	15,108,000	50,662,451	188,543,979

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NOTE 13 – EMPLOYEE BENEFITS

a) Provisions related to employee benefits:

	30 September 2024	31 December 2023
Social security premiums payable	5,919,287	5,460,390
Payables to personnel	10,608	420,927
	5,929,895	5,881,317

b) Provisions:

	30 September 2024	31 December 2023
Unused vacation provision	6,542,894	3,515,301
Retirement pay provision	9,829,174	6,923,562
	16,372,068	10,438,863

c) Unused vacation provision:

	2024	2023
Opening balance as of 1 January	3,515,301	2,603,623
Increase during the period	6,606,123	4,450,535
Paid during the period (-)	(2,074,698)	(1,526,189)
Monetary loss/gain	(1,503,832)	(1,476,996)
Closing balance at 30 September	6,542,894	4,050,973

d) Retirement pay provision:

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men). Certain transitional provisions related to the pre-retirement service period have been excluded from the law due to the change in the related law as of 23 May 2002. Accordingly, the Company is required to make lump-sum termination indemnities to each employee who retired or terminated at the date of retirement. The payment depends on the number of years the individual has been employed by the Company.

Employment termination benefits are not legally subject to any funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable liabilities of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires actuarial valuation methods to be developed to estimate the enterprise's liabilities under defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

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NOTE 13 – EMPLOYEE BENEFITS (cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as at 30 September 2024 are calculated by estimating the present value of the future probable liabilities of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of 20,82% and an interest rate of 25,05%, resulting in a real discount rate of approximately 3.50% (31 December 2023: 3.50%). Voluntary termination rates are also taken into consideration as 10,04% for employees with 0-15 years of service and 0% for employees with 16 or more years of service. The maximum amount of TL 41,828.42 effective from 1 July 2023 has been taken into consideration in the calculation of the Company's provision for employment termination benefits (1 July 2023: TL 23,489.83).

	2024	2023
Opening balance as of 1 January	6,923,562	6,363,770
Service cost	6,430,846	6,115,866
Interest cost	153,439	140,440
Actuarial gain	591,821	(267,673)
Retirements benefits paid (-)	(708,766)	(3,234,669)
Monetary gain/loss	(3,561,728)	(2,309,607)
Closing balance as of 30 September	9,829,174	6,808,127

NOTE 14 - OTHER ASSETS AND LIABILITIES

<u>Other Current Assets</u>	30 September 2024	31 December 2023
VAT carried forward	168,931,577	167,145,533
Other	1,389,835	32,104
	170,321,412	167,177,637

<u>Other Short-Term Liabilities</u>	30 September 2024	31 December 2023
Taxes and funds payable	6,634,837	3,397,607
VAT payable	2,264,402	-
	8,899,239	3,397,607

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FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

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NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES

<u>Short-Term Prepaid Expenses</u>	30 September 2024	31 December 2023
Advances given for purchases	-	2,184,303
Prepaid expenses	5,542,324	4,590,544
Business advances given	102,594	29,275
	5,644,918	6,804,122
<u>Long-Term Prepaid Expenses</u>	30 September 2024	31 December 2023
Advances given for purchases	109,009,541	-
	109,009,541	-

NOTE 16 - EQUITY

a) Equity:

The paid-in capital structure of the Company as of 30 September 2024 and 31 December 2023 is as follows:

	30 September 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
TFI TAB Gıda Yatırımları A.Ş.,	79,7	110,544,000	79,7	110,544,000
Publicly traded	20,3	28,224,00	20,3	28,224,000
Nominal Capital	100	138,768,000	100	138,768,000
Inflation adjustment		798,445,306		798,445,306
Adjusted Capital		937,213,306		937,213,306

The Company’s authorized and issued share capital consists of 138,768,000 shares, each with a registered nominal value of Turkish Lira 1.

b) Legal Reserves

The legal reserves represent restricted reserves appropriated from profit. The legal reserves consist of the first and second legal reserves appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum until the total reserve reaches 20% of historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

	30 September 2024	31 December 2023
Legal reserves	174,870,738	-
	174,870,738	-

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 16 – EQUITY (cont’d)

c) Analyses of Other Comprehensive Income Items

As of 30 September 2024 and 31 December 2023, revaluation measurement gains in accordance with TAS 16 and all actuarial gains and losses calculated in accordance with TAS 19, which are recognized in other comprehensive income, net of deferred tax effect are as follows:

<u>Not to be reclassified to profit or loss</u>	30 September 2024	31 December 2023
Gain on revaluation and measurement	714,826,680	714,826,680
Loss on remeasurement of defined benefit plans	687,008	243,142
	715,513,688	715,069,822
<u>To be reclassified to profit or loss</u>	30 September 2024	31 December 2023
Cash flow hedging losses	(77,057,228)	(163,098,298)
	(77,057,228)	(163,098,298)

NOTE 17 – SHARE BASED PAYMENTS

The calculation of earnings per share and diluted earnings per share attributable to equity holders of the parent company are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Net profit attributable to equity holders of the parent company	8,913,601	163,858,327	(38,589,616)	152,525,255
Weighted average number of shares outstanding during the period	138,768,000	122,640,000	138,768,000	122,640,000
Earnings per share	0.06	1.34	(0.28)	1.24

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 18 – REVENUE AND COST OF SALES

a) Revenue

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Sales	2,535,682,162	2,628,038,011	664,046,896	1,040,511,600
Sales return (-)	(15,841,996)	(15,141,787)	(6,016,646)	(3,422,361)
	2,519,840,166	2,612,896,224	658,030,250	1,037,089,239
	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Sales in Turkey	2,100,311,755	2,149,766,775	583,295,537	685,859,459
Export sales	419,528,411	463,129,449	74,734,713	351,229,780
	2,519,840,166	2,612,896,224	658,030,250	1,037,089,239

b) Cost of sales

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Raw materials	(1,692,066,141)	(1,570,840,494)	(407,207,371)	(559,773,753)
General production expenses	(133,195,833)	(154,377,137)	(35,784,700)	(52,105,585)
Personnel expenses	(117,472,859)	(65,788,723)	(47,783,802)	(26,984,824)
Depreciation expenses	(122,509,864)	(49,197,229)	(60,698,190)	(9,897,772)
Transportation expenses	(51,493,010)	(58,555,631)	(6,654,951)	(34,962,522)
Depreciation expenses from leasing transactions	(6,711,528)	(4,683,814)	(2,275,609)	(1,719,728)
Rent expenses	(6,381,112)	(923,208)	(2,101,610)	-
Insurance expenses	(5,735,050)	(2,041,936)	(1,786,524)	(481,021)
Maintenance and repair expenses	(2,596,877)	(1,206,849)	(1,236,757)	(522,388)
Fuel expenses	(1,928,152)	(1,455,253)	(704,702)	(805,816)
Stamp, fee and other tax expenses	(680,402)	(897,699)	(217,844)	-
Consultancy expenses	(492,928)	(1,091,059)	(147,038)	(909,969)
	(2,141,263,756)	(1,911,059,032)	(566,599,098)	(688,163,378)

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NOTE 19 – GENERAL ADMINISTRATION EXPENSES

a) General administrative expenses

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Financial and legal consultancy expenses	(46,284,594)	(38,722,840)	(14,749,934)	(14,111,839)
Personnel expenses	(38,255,990)	(26,881,249)	(15,370,021)	(11,703,707)
Insurance expenses	(3,022,030)	(1,601,815)	(288,663)	(48,409)
Depreciation and amortization expenses	(3,011,756)	(1,411,743)	(956,989)	(512,389)
Office and general administrative expenses	(2,148,588)	(3,011,277)	(601,102)	(729,257)
Electricity and fuel expenses	(1,661,629)	(1,906,524)	(637,768)	(777,874)
Depreciation expenses from leasing transactions	(351,616)	(263,339)	(64,438)	(80,316)
Duties, fees and other tax expenses	(389,307)	(463,134)	(107,523)	-
Rent expenses	(343,833)	(269,782)	(125,178)	-
Maintenance and repair expenses	(260,711)	(285,839)	(125,413)	(67,989)
Other	(4,262,393)	(4,707,205)	(1,450,173)	(1,359,534)
	(99,992,447)	(79,524,747)	(34,477,202)	(29,391,314)

NOTE 20 – OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange gain from trade receivables	55,960,205	39,761,581	30,817,404	8,435,612
Government incentives for export	1,578,956	2,233,984	-	-
Rediscount income	794,411	18,085,385	377,381	17,705,204
Provision that are no longer	328,240	-	328,240	-
Other	7,746,714	9,080,293	4,735,570	2,980,629
	66,408,526	69,161,243	36,258,595	29,121,445

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NOTE 20 – OTHER OPERATING INCOME AND EXPENSES (cont’d)

b) Other operating expense

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Rediscount expense	(5,072,365)	(34,841,851)	29,125,779	(141)
Non-operating part				
depreciation expense	(30,360,974)	(30,672,997)	-	(574,671)
Non-operating part expense	(20,445,896)	(31,672,145)	-	-
Foreign exchange losses				
from trade payables	(23,873,425)	(21,009,371)	(6,972,230)	(10,071,860)
Other	(4,772,901)	(4,422,714)	(908,173)	(3,188,047)
	(84,525,561)	(122,619,078)	21,245,376	(13,834,719)

NOTE 21 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income	132,478,579	27,075,046	40,193,911	19,191,899
Contribution fee revenue	93,686,852	-	1,641,462	-
Foreign exchange gains				
related to investing activities	17,722,526	87,097,960	15,792,714	64,184,288
	243,887,957	114,173,006	57,628,087	83,376,187

b) Expense from investing activities

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange losses				
related to investing activities	(9,667,714)	(7,211,498)	(6,543,975)	(3,849,789)
	(9,667,714)	(7,211,498)	(6,543,975)	(3,849,789)

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NOTE 22 – FINANCE INCOME AND FINANCE EXPENSES

a) Finance income

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange gains related to financial lease liabilities	-	725,394	-	250,195
	-	725,394	-	250,195

b) Finance expense

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange losses from financial liabilities	(127,799,997)	(253,516,497)	(26,535,272)	(86,043,505)
Interest expense	(27,063,404)	(88,997,371)	(10,058,596)	(39,210,118)
Letter of guarantee commissions	(3,407,188)	(20,179,894)	(596,847)	(7,073,688)
Interest expenses on lease obligations	(804,687)	(842,107)	(436,682)	(273,608)
Exchange difference expenses related to lease obligations	(394,901)	-	(55,054)	-
Other financing expenses	(963,292)	(75,116)	377,983	(30,934)
	(160,433,469)	(363,610,985)	(37,304,468)	(132,631,853)

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Current tax expense	(26,329,018)	(117,382,607)	(8,455,569)	(20,590,467)
Deferred tax income	(107,545,037)	(219,230,659)	(77,200,561)	(186,354,217)
	(133,874,055)	(336,613,266)	(85,656,130)	(206,944,684)

Corporate Tax

The Company is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the current period.

The corporate tax to be accrued on the taxable corporate income is calculated based on the remaining tax base after adding non-deductible expenses to the taxable base, which is determined by deducting expenses written for commercial gain, and then subtracting dividends received from resident companies, exempt income and investment deductions used.

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NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(cont’d)

As of 30 September 2024, the statutory tax rate is 25% (31 December 2023: 23%).

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

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income.

In Turkey, there is no definite and definitive reconciliation procedure for tax assessments. Companies file their tax returns between 1-25 April of the year following the close of the accounting period of the relevant year (between 1-25 of the fourth month following the close of the period for those with special accounting periods). These tax returns and the underlying accounting records can be reviewed and amended by the tax office within 5 years.

	30 September 2024	31 December 2023
Provision for current period corporate tax	26,329,018	45,737,812
Earthquake tax	-	59,720,453
Tax arising from legal indexation	-	23,837,599
Less: Prepaid taxes and funds	(20,687,732)	(114,625,236)
Tax liability for current period	5,641,286	14,670,628

Income withholding tax

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. In Turkey, income tax withholding tax was applied as 10% for all companies between 24 April 2003 and 22 July 2006 and then increased to 15%. Dividends that are not distributed but capitalized are not subject to withholding tax.

Deferred tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported under POA Financial Reporting Standards and its statutory tax financial statements.

The tax rate used in the calculation of deferred tax assets and liabilities is 25%. As of January 1, 2023, 25% has been used on temporary differences expected to reverse.

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NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(cont’d)

The deferred tax asset and liabilities consist of the following:

	30 September 2024	31 December 2023
Investment incentives	(147,543,492)	(201,638,446)
Revaluation and depreciation differences of tangible fixed assets / amortization differences of intangible assets	(58,626,717)	(146,984,712)
Provision for doubtful receivables	(1,281,593)	(1,846,865)
Provision for employment termination benefit	(2,457,293)	(1,730,891)
Provision for unused vacation	(1,635,724)	(878,825)
Trade receivables / payables rediscount (net)	8,498,338	6,863,588
Inventory adjustment	19,692,046	24,343,449
Non-operating part expenses	(1,493,314)	-
Other	(941,518)	(289,914)
	(185,789,267)	(322,162,616)

As of 30 September 2024 and 2023, the movement of deferred tax (asset)/liability for the periods ended are as follows:

	2024	2023
Opening balance as of 1 January	(322,162,616)	(327,114,996)
Accounted for in the income statement	107,545,037	219,230,659
Accounted under equity	28,828,312	(7,678,108)
Closing balance on 30 September	(185,789,267)	(115,562,445)

NOTE 24 – RELATED PARTY DISCLOSURES

The Company enters into various transactions with related parties in the ordinary course of business. The Company has a number of operational and financial relationships with its shareholders and companies owned by its shareholders. Receivables and payables from related parties arising from operational activities generally arise from the ordinary course of business. These transactions are as follows:

- (1) Sales to related parties: The Company sells potato products to Fasdat and Pangea Foods, which are related parties.
- (2) Sales to related parties: The company sells potato waste, which can be used as animal feed and is generated during production, to Atasancak and Ekur Et, which are related parties.
- (3) Purchases from related parties: The company purchases management consulting services from TFI TAB Food Investments Co.

Balances due from and due to related parties will be settled in cash and no collateral has been taken or given. No doubtful receivables allowance expense has been set aside for the current year for receivables from related parties.

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

30 September 2024	Trade	Trade	Other
Balances with related parties	Receivables	Payables	Payables
	Current	Current	Current
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	-	(22,466,494)	-
<i>Other related parties</i>			
Pangea Foods (China) Holdings Ltd.	245,365,643	-	-
Fasdat Gıda Dağıtım San. ve Tic. A.Ş. (*)	-	-	(124,164,653)
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	1,468,450	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	1,750,668	(82,592)	-
Ekur İnşaat San.Tic.A.Ş.	-	(187,954)	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	(656,082)	-
Arbeta Turizm Org. ve Tic. A.Ş.	-	(218,016)	-
	248,584,761	(23,611,138)	(124,164,653)

(*) The amounts with Fasdat Gıda Dağıtım San. ve Tic. A.Ş. are advance balances.

31 December 2023	Trade	Trade	Other
Balances with related parties	Receivables	Payables	Payables
	Current	Current	Current
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	-	(5,296,439)	-
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	5,118,210	-	-
Pangea Foods (China) Holdings Ltd.	184,777,193	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	3,289,999	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	2,382,740	-	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	(499,526)	-
Arbeta Turizm Org. ve Tic. A.Ş.	-	(147,205)	-
	195,568,142	(5,943,170)	-

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 January - 30 September 2024			
Transaction with related parties	Purchases	Sales	Finance Expenses
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(37,418,660)	-	
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	(114,099,911)	1,474,234,071	
Pangea Foods (China) Holdings Ltd.	-	480,617,607	-
Ekur Et Entegre San. ve Tic. A.Ş.	(1,415,132)	1,599,185	
Ekur İnşaat San. Tic. A.Ş.	(436,424)	-	-
Atp Yazılım ve Teknoloji A.Ş.	(1,084,711)	-	-
Arbeta Turizm Org. ve Tic. A.Ş.	(587,064)	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	10,501,832	(446,920)
Mes Mutfak Ekip.San.ve Serv.Hiz.Tic. A.Ş.	(5,470)	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	13,148,235	-
	(155,047,372)	1,980,100,930	(446,920)
1 January - 30 September 2023			
Transaction with related parties	Purchases	Sales	Other Income
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(34,298,493)		
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	-	1,536,547,478	-
Pangea Foods (China) Holdings Ltd.	-	523,031,243	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(10,419,753)	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	(16,716,419)	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	-	1,917,615	-
Ekur İnşaat San.Tic.A.Ş.	(295,852)	-	-
Atp Yazılım ve Teknoloji A.Ş.	(587,723)	-	-
Arbeta Turizm Org. ve Tic.A.Ş.	(593,082)	11,881	-
Tab Gıda Sanayi ve Ticaret A.Ş.	(714,715)	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	15,936,679	-
	(63,626,037)	2,077,444,896	-

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024 NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 July - 30 September 2024

Transaction with related parties	Purchases	Sales	Finance Expenses
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(11,563,727)	-	-
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	(72,337,608)	478,631,339	-
Ekur Et Entegre San. ve Tic. A.Ş.	-	775,394	-
Ekur İnşaat San.Tic. A.Ş.	(88,475)		
Atp Yazılım ve Teknoloji A.Ş.	(196,919)		
Arbeta Turizm Org. ve Tic. A.Ş.	(220,186)	-	-
Mes Mutfak Ekip. San.ve Serv.Hiz.Tic. A.Ş.	-	-	-
Pangea Foods (China) Holdings Ltd.	-	212,721,740	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	3,816,382	(446,920)
Ata Yatırım Menkul Kıymetler A.Ş.	-	13,148,235	-
	(84,406,915)	709,093,090	(446,920)

1 July- 30 September 2023

Transaction with related parties	Purchases	Sales	Other Income
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(10,031,471)	-	-
<i>Other related parties</i>			
Ata Yatırım Menkul Kıymetler A.Ş.	(16,716,419)		
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	-	326,941,229	(69,102)
Pangea Foods (China) Holdings Ltd.	(714,715)	390,974,509	-
Atp Yazılım ve Teknoloji A.Ş.	(493,014)	-	-
Ekur İnşaat San.Tic. A.Ş.	(67,540)		
Ekur Et Entegre San. ve Tic. A.Ş.	-	1,068,222	-
Arbeta Turizm Org. ve Tic. A.Ş.	238,827	11,881	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	8,067,816	-
	(27,784,332)	727,063,657	(69,102)

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024 NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

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

	1 January - 30 September 2024	1 January - 30 September 2023
Salaries and other short-term benefits	7,709,718	4,851,130
	7,709,718	4,851,130

The Company consists of senior management and members of the Board of Directors. Benefits provided to senior executives include salaries, bonuses and health insurance.

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

In the normal course of business operations, the Company is exposed to various market risks such as fluctuations in exchange rates, interest rates, and raw material prices for products, and these fluctuations may have a negative impact on financial assets and liabilities, future cash flows and profit. The Company's risk management program generally aims to minimize the effects of the financial market's uncertainty on the Company's financial performance.

The Company's main financial instruments are bank loans, cash and short-term deposits. The main purpose of these financial instruments is to generate financing for the Company's activities. The Company also has other various financial instruments resulting from its direct operations, such as trade payables and trade receivables.

The main risks arising from the Company's financial instruments are interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The management develops and approves implementation policies to manage these risks.

a) Capital risk management

In capital management, the Company aims to increase its profit by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its operations.

The Company's capital structure includes debts, including loans described in Note 4, and equity items, including cash and cash equivalents described in Note 3, issued capital described in Note 16, reserves and retained earnings from the previous year.

The Company evaluates the risks associated with each capital class with the capital cost by upper management. The Company aims to keep the capital structure balanced through new debt acquisition or repayment of existing debt, as well as through dividend payments, new shares issuance, and share repurchases, based on the upper management's suggestions.

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024 NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

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

	30 September 2024	31 December 2023
Total borrowings	416,353,921	855,122,429
Less: Cash and cash equivalents	736,597,090	1,189,915,810
Net debt	(320,243,169)	(334,793,381)
Total equity	4,127,919,208	4,165,402,510

b) Financial risk factors

The risk management program is generally focused on minimizing the potential adverse effects of financial market uncertainty on the Company's financial performance.

The Company's risk management is carried out by a central finance department in line with policies approved by the Board of Directors. While providing services related to commercial activities, the Company's finance department is also responsible for ensuring regular access to domestic and foreign financial markets and monitoring the level and magnitude of financial risks related to the Company's activities.

b.1) Credit risk management

The risk of a financial loss to the Company due to a party to a financial instrument failing to meet its contractual obligations is defined as credit risk. The Company tries to reduce the credit risk by only conducting transactions with creditworthy parties and trying to obtain adequate collateral when possible. The credit risks that the Company is exposed to and the customers' credit ratings are continuously monitored.

b.2) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of credit transactions, and the ability to close out market positions. Liquidity risk is the risk of the Company not being able to meet its net funding requirements. Liquidity risk is managed through the inflow and outflow of cash, balanced within the predetermined credit limits with credit institutions. The maturity analysis of financial liabilities has been disclosed, considering the duration from the balance sheet date to the maturity date.

b.3) Market risk management

Due to the Company's operations, it is exposed to financial risks related to changes in foreign exchange rates (b.3.1), interest rates (b.3.2), and price risk (b.3.3). The Company's policy against these market risks is to assess potential losses that could occur and their effects and to reduce the Company's market risks. The general risk management plan of the Company aims to focus on the uncertainty of financial markets and to minimize potential negative impacts on the Company's financial performance. The Company's management constantly evaluates the fluctuations in exchange rates and interest rates.

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

b.4) Foreign currency risk management

The Company is exposed to foreign exchange risk mainly due to fluctuations in US Dollar and Euro exchange rates. Foreign exchange risk is primarily related to bank borrowings and foreign currency-denominated receivables and payables. While the majority of the Company's long-term debt is denominated in USD, the Company generates its revenues and cash from operations in TL.

The Company Management periodically assesses market conditions and formulates a foreign currency strategy based on exchange rate expectations. The Company utilizes TL and foreign currency-denominated borrowings and determines the rate based on the overall foreign currency strategy. Foreign currency-denominated assets and liabilities of monetary and non-monetary items are as follows:

	30 September 2024		
	Total TL equivalent	USD	EUR
1. Trade Receivables	246,374,592	-	6,454,429
2a. Monetary Financial Assets	-	-	-
2b. Non-Monetary Financial Assets	135,350,998	1,690	3,544,364
3. Other	-	-	-
4. Current Assets	381,725,590	1,690	9,998,793
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current assets	-	-	-
9. Total Assets (4+8)	381,725,590	1,690	9,998,793
10. Trade Payables	148,705,805	3,026,934	1,182,986
11. Financial Liabilities	228,861,947	768,893	5,297,547
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities	377,567,752	3,795,828	6,480,533
14. Trade Payables	-	-	-
15. Financial Liabilities	187,491,968	-	4,903,007
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. Long Term Liabilities	187,491,968	-	4,903,007
18. Total Liabilities (13+17)	565,059,720	3,795,828	11,383,540
19. Amounts Subject to Cash Flow Hedging Accounting	124,078,780	-	3,244,721
20. Net Foreign Exchange Asset / Liability Position After Cash Flow Hedging Accounting (9-18+19)	(59,255,350)	(3,794,138)	1,859,974
21. Net Monetary Items Foreign Exchange Asset / Liability Position (9-18)	(183,334,130)	(3,794,138)	(1,384,747)

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FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 SEPTEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

	31 December 2023		
	Total TL equivalent	USD	EUR
1. Trade Receivables	184,785,164	-	4,175,463
2a. Monetary Financial Assets	168,847	1,039	2,876
2b. Non-Monetary Financial Assets	2,121,514	-	47,939
3. Other	-	-	-
4. Current Assets	187,075,525	1,039	4,226,278
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	-	-	-
9. Total Assets (4+8)	187,075,525	1,039	4,226,278
10. Trade Payables	140,488,350	3,344,114	152,323
11. Financial Liabilities	659,025,999	6,904,099	8,652,075
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities	799,514,349	10,248,213	8,804,398
14. Trade Payables	-	-	-
15. Financial Liabilities	115,846,451	233,048	2,407,088
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary	-	-	-
17. Long Term Liabilities	115,846,451	233,048	2,407,088
18. Total Liabilities (13+17)	915,360,800	10,481,261	11,211,486
19. Amounts Subject to Cash Flow Hedging Accounting	489,883,194	-	11,069,553
20. Cash Flow Hedging After Net Foreign Exchange Currency Asset/Liability Position (9-18+19)	(238,402,081)	(10,480,222)	4,084,345
21. Net Monetary Items Foreign Exchange Asset /Liability Position (9-18)	(728,285,275)	(10,480,222)	(6,985,208)

	30 September 2024		31 December 2023	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of 10% change in USD against TRY	(12,959,907)	12,959,907	(41,915,479)	41,915,479
In case of 10% change in EUR against TRY	7,012,096	(7,012,096)	18,075,274	(18,075,274)
Total	(5,947,811)	5,947,811	(23,840,205)	23,840,205

(Convenience translation of financial statements originally issued in Turkish)

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NOTES TO THE FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2024, unless otherwise indicated.)

NOTE 26 – SUBSEQUENT EVENTS

Atakey's Board of Directors decided to initiate share buyback transactions within the framework of its program on October 7, 2024, and the buyback began on October 9, 2024. As of October 30, 2024, considering the transactions completed by the report's publication date, a total of TL 73,000 nominal value of shares, equivalent to 0.053% of the company's capital, has been repurchased using a fund of TL 3,155,947.