

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
AS OF MARCH 31, 2024**

(Originally issued in Turkish)

Contents	PAGE
CONDENSED STATEMENT OF FINANCIAL POSITION.....	1-2
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED STATEMENT OF CHANGES IN EQUITY	4
CONDENSED STATEMENT OF CASH FLOWS.....	5-6
CONDENSED NOTES TO THE FINANCIAL STATEMENTS	7-39
NOTE 1 ORGANIZATION AND OPERATIONS OF THE COMPANY	7
NOTE 2 SUMMARY OF ACCOUNTING POLICIES.....	7-12
NOTE 3 CASH AND CASH EQUIVALENTS.....	13
NOTE 4 BORROWINGS	13-14
NOTE 5 LEASE LIABILITIES.....	15
NOTE 6 TRADE RECEIVABLES AND PAYABLES.....	16
NOTE 7 OTHER RECEIVABLES AND PAYABLES.....	17
NOTE 8 INVENTORIES.....	17
NOTE 9 PROPERTY, PLANT AND EQUIPMENT	18-20
NOTE 10 INTANGIBLE ASSETS.....	21
NOTE 11 RIGHT OF USE ASSET	21-22
NOTE 12 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	23-24
NOTE 13 EMPLOYEE BENEFITS	24-25
NOTE 14 OTHER ASSETS AND LIABILITIES	25-26
NOTE 15 PREPAID EXPENSES AND CONTRACT LIABILITIES	26
NOTE 16 EQUITY	27-28
NOTE 17 SHARE BASED PAYMENTS	28
NOTE 18 REVENUE AND COST OF SALES	28
NOTE 19 GENERAL ADMINISTRATIVE EXPENSES	29
NOTE 20 EXPENSE BY NATURE	29
NOTE 21 OTHER OPERATING INCOME AND EXPENSES	30
NOTE 22 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	30
NOTE 23 FINANCE INCOME AND FINANCE EXPENSES.....	31
NOTE 24 INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	31-33
NOTE 25 RELATED PARTY DISCLOSURES	33-36
NOTE 26 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES.....	36-39

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

	Notes	Not Audited 31 March 2024	Audited 31 December 2023
ASSETS			
Cash and cash equivalents	3	595.322.278	1.007.770.362
Trade receivables			
<i>Trade receivables from related parties</i>	6-25	255.922.805	165.631.699
<i>Trade receivables from third parties</i>	6	228.216.910	59.325.932
Other receivables	7	1.637.625	1.884.311
Inventories	8	845.671.345	1.206.357.737
Prepaid expenses	15	116.534.742	5.762.586
Other current assets	14	150.184.444	142.990.735
Total Current Assets		2.193.490.149	2.589.723.362
Other receivables	7	1.476.056	1.698.404
Property, plant and equipment	9	1.813.226.415	1.829.649.051
Intangible assets	10	1.426.437	1.193.974
Right of use assets	11	5.969.989	7.313.431
Derivative instruments		6.183.350	4.062.849
Deferred tax assets	24	214.392.857	272.847.821
Total Non-Current Assets		2.042.675.104	2.116.765.530
TOTAL ASSETS		4.236.165.253	4.706.488.892

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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

	Notes	Not Audited 31 March 2024	Audited 31 December 2023
LIABILITIES			
Short-term borrowings	4	-	427.803.242
Current portion of long-term borrowings	4	311.337.054	198.308.636
Short-term lease liabilities	5	2.124.469	2.762.056
Trade payables			
<i>Trade payables to related parties</i>	6,25	18.681.441	5.033.424
<i>Trade payables to third parties</i>		239.917.686	411.913.562
Employee benefit payables	13	4.572.356	4.981.039
Short-term provisions			
<i>Provisions for employee benefits</i>	13	4.175.856	2.977.199
<i>Litigation provisions</i>	12	2.161.843	2.487.494
Deferred income	14-25	18.398.077	-
Current tax liabilities	24	28.374.847	12.424.933
Other current liabilities	14	2.097.196	2.877.521
Total Current Liabilities		631.840.825	1.071.569.107
Long-term borrowings	4	44.162.332	98.113.342
Long-term lease liabilities	5	1.061.045	1.752.291
Long-term provisions			
<i>Provisions for employee benefits</i>	13	6.037.619	5.863.744
Total Non-Current Liabilities		51.260.996	105.729.378
EQUITY			
Share capital	16	138.768.000	138.768.000
Adjustments to share capital	16	654.982.100	654.982.100
Share premium		1.031.115.187	1.031.115.187
Other comprehensive expenses not to be reclassified			
- Remeasurement losses of defined benefit plans	16	592.508	205.923
- Revaluation of property, plant and equipment	16	605.405.134	605.405.134
Other comprehensive losses to be reclassified under profit or losses			
- Cash flow hedge reserves	16	(120.048.498)	(138.132.152)
Retained earnings		1.236.846.216	896.667.862
Net profit for the period		5.402.785	340.178.354
Total Equity		3.553.063.432	3.529.190.408
TOTAL LIABILITIES AND EQUITY		4.236.165.253	4.706.488.892

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 - 31 MARCH 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 31 March 2024, unless otherwise indicated.)

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Profit or loss			
Revenue	18	840.427.097	634.403.145
Cost of sales (-)	18	(719.060.788)	(507.432.483)
Gross profit		121.366.309	126.970.662
General administrative expenses (-)	19	(32.501.473)	(22.718.174)
Other operating income	21	17.475.863	6.628.549
Other operating expenses (-)	21	(25.881.059)	(30.360.300)
Operating profit		80.459.640	80.520.737
Income related to investing activities	22	94.899.285	5.728.064
Expense related to investing activities (-)	22	(1.937.306)	(2.503.293)
Operating profit before financial expenses		173.421.619	83.745.508
Financial income	23	1.061.781	346.165
Financial expenses (-)	23	(43.641.926)	(49.667.121)
Monetary gain / (loss)		(67.032.568)	74.549.684
Earning / (Loss) before tax		63.808.906	108.974.236
Tax income			
Current tax expense	24	(17.688.210)	(60.805.791)
Deferred tax income	24	(40.717.911)	(71.969.486)
Net profit for the year		5.402.785	(23.801.041)
Earning per share		0,04	(0,20)
Other comprehensive income			
Items that will not to be reclassified subsequently to profit or loss:			
Revaluation of defined benefit plans and measurement gains	13	483.231	525.214
Revaluation of defined benefit plans and measurement losses tax expense	24	(96.646)	(105.043)
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedging losses tax income		24.111.539	71.293.244
Cash flow hedging losses	24	(6.027.885)	(17.823.311)
OTHER COMPREHENSIVE INCOME (AFTER TAX)		18.470.239	53.890.104
TOTAL COMPREHENSIVE INCOME		23.873.024	30.089.063

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 - 31 MARCH 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 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	Share premium (*)	Cash flow hedging losses	Remeasurement of defined benefit liabilities	Revaluation of Property, Plant and Equipment	Net income for the period(loss)	Retained earnings	Total
Balance at 1 January 2024	16	138.768.000	654.982.100	1.031.115.187	(138.132.152)	205.923	605.405.134	340.178.354	896.667.862	3.529.190.408
<i>Profit for the year</i>		-	-	-	-	-	-	5.402.785	-	5.402.785
<i>Other comprehensive expense</i>		-	-	-	18.083.654	386.585	-	-	-	18.470.239
Total comprehensive profit		-	-	-	18.083.654	386.585	-	5.402.785	-	23.873.024
Transfers		-	-	-	-	-	-	(340.178.354)	340.178.354	-
Balance at 31 March 2024	16	138.768.000	654.982.100	1.031.115.187	(120.048.498)	592.508	605.405.134	5.402.785	1.236.846.216	3.553.063.432
Balance at 1 January 2023	16	117.600.000	645.546.587	-	(127.489.498)	170.379	257.217.687	1.063.781.049	(167.171.839)	1.789.654.365
<i>Profit for the year</i>		-	-	-	-	-	-	(23.801.041)	-	(23.801.041)
<i>Other comprehensive expense</i>		-	-	-	53.469.933	420.171	-	-	-	53.890.104
Total comprehensive profit		-	-	-	53.469.933	420.171	-	(23.801.041)	-	30.089.063
Transfers		-	-	-	-	-	-	-(1.063.781.049)	1.063.781.049	-
Balance at 31 March 2023	16	117.600.000	645.546.587	-	(74.019.565)	590.550	257.217.687	(23.801.041)	896.609.210	1.819.743.428

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

CONDENSED STATEMENT OF CASH FLOWS

FOR THE ACCOUNTING PERIODS 1 JANUARY - 31 MARCH 2024 AND 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Cash Flows From Operating Activities			
Net profit for the period		5.402.785	(23.801.041)
Adjustments related to reconciliation of net profit/(loss) for the period		214.365.966	212.092.516
Depreciation and amortization expense	20	43.538.099	16.303.524
Adjustments for provisions			
provisions related to employee benefits	13	3.767.450	3.877.734
Adjustments related to interest income and expenses			
Interest income	22	(30.444.135)	(4.646.575)
Adjustments regarding participation fee income	22	(62.901.154)	-
Interest expense	21	7.481.239	31.081.999
Deferred financial expense			
arising from credit purchases	23	14.108.599	12.200.330
Unearned finance income			
arising from credit sales	21	(491.893)	(223.361)
Depreciation and amortization on leases	11	1.343.442	754.628
Interest (expense) on leases, net	5	157.946	230.328
Foreign exchange expenses related to leasing transactions	5-23	(229.627)	-
Adjustments related to tax income	24	58.406.121	132.775.277
Monetary gain		179.629.879	20.086.100
Changes in Working Capital		(276.488.816)	(151.693.186)
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties		(119.270.433)	37.433.486
Increase in trade receivables from third parties		(174.013.911)	(38.230.171)
Adjustments related to increase in other current assets		(27.601.779)	(24.176.405)
Increase in inventories		233.912.057	155.734.229
Decrease in prepaid expenses		(97.607.395)	(6.691.130)
Increase in due to related parties		15.239.120	12.054.840
Increase in trade payables to third parties		(125.477.216)	(173.402.991)
Adjustments related to deferred revenues		-	(119.877.890)
Increase / (decrease) in other liabilities		18.330.741	5.462.846
Cash Flows From Operations		(675.455)	(664.059)
Income taxes paid	24	-	(17.143)
Employee benefits paid	13	(675.455)	(646.916)

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(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Cash Flows From Investing Activities		65.997.365	(1.923.321)
Cash outflows from purchase of property, plant and equipment	9	(27.012.354)	(6.316.194)
Cash outflows from purchase of intangible assets	10	(335.570)	(253.702)
Interest received	22	93.345.289	4.646.575
Cash Flows From Financing Activities		(269.243.197)	126.526.627
Cash inflows from loans	4	-	262.138.084
Cash outflows related to loan repayments	4	(252.882.712)	(109.165.971)
Interest paid	4	(14.055.886)	(25.289.532)
Payments for lease transactions	11	(2.304.599)	(1.155.954)
THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS		(151.806.732)	(18.533.482)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(412.448.084)	142.004.054
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	1.007.770.362	166.545.568
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	595.322.278	308.549.622

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 - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 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 31 March 2024 the average number of personnel employed during the year is 223 (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 June 5, 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 October 2022 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 - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 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 31 December 2023 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
2024/03	2.139,47

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 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 31 March 2024. Non-monetary items which are not expressed in terms of measuring unit as of 31 March 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 March 31, 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 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 31 March 2024, the accounting policies adopted in preparation of the financial statements as of March 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 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, 2023.

Amendments to TAS 1 - Disclosure of Accounting Policies

In March 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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 Group.

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 Group.

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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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 Group.

2.5 Significant accounting policies

The interim condensed financial statements for the period ending 31 March 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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

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.

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash on hand	3.754	8.593
Demand deposits at bank	11.473.356	2.902.861
Time deposits at bank	583.845.168	1.004.858.908
	595.322.278	1.007.770.362

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

Currency Type	Interest Rate (%)	Maturity	31 March 2024
TL	53,50%	30 April 2024	583.845.168
			583.845.168

Currency Type	Interest Rate (%)	Maturity	31 December 2023
TL	30% - 46,5%	29 March 2024	1.004.858.908
			1.004.858.908

NOTE 4 - BORROWINGS

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

	31 March 2024	31 December 2023
Short term bank borrowings	-	427.803.242
Current portion of long-term borrowings	311.337.054	198.308.636
Total short-term borrowings	311.337.054	626.111.878
Long-term bank borrowings	44.162.332	98.113.342
Total long-term borrowings	44.162.332	98.113.342
Total borrowings	355.499.386	724.225.220

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 4 – BORROWINGS (cont'd)

	31 March 2024	31 December 2023
To be paid within 1 year	311.337.054	626.111.878
To be paid between 1-2 years	32.346.972	74.619.983
To be paid between 2-3 years	11.815.360	23.493.359
	355.499.386	724.225.220

Details of the bank loans are as follows:

Currency Type	Weighted Average Effective Interest Rate	31 March 2024	
		Current	Non-current
EUR	9,00%	261.603.951	44.162.332
USD	11,05%	49.733.103	-
		311.337.054	44.162.332

Currency Type	Weighted Average Effective Interest Rate	31 December 2023	
		Current	Non-current
TRY	20,3%	67.965.777	-
EUR	6,9%	324.285.903	90.219.396
USD	8,3%	233.860.198	7.893.946
		626.111.878	98.113.342

The movement of the Company's financial liabilities as at 31 March 2024 and 2023 is as follows:

	31 March 2024	31 March 2023
Opening balance as of 1 January	724.225.220	1.043.884.336
Purchases	-	262.138.084
Payments (-)	(252.882.712)	(109.165.971)
Exchange differences (Not 23)	33.773.171	12.728.825
Letter of guarantee commission payments	1.549.612	5.610.970
Interest payments	(14.055.886)	(25.289.532)
Interest expense (Not 23)	7.481.239	31.081.999
Monetary gain	(144.591.258)	(122.360.027)
Closing balance at 31 March	355.499.386	1.098.628.684

As of March 31, 2024, the financial commitments in the loan agreement related to the loan with a maturity of February 7, 2025, amounting to TL 126.598.575, (EUR 3.631.108) are as follows:

(i) Max 3x Net Indebtedness / EBITDA ratio

(ii) Min 20% EBITDA Margin

As of March 31, 2024, and 2023, the Company is fulfilling all of its financial commitments under the loan agreement.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 5 - LEASE LIABILITIES

	31 March 2024	31 December 2023
Short-term lease liabilities	2.124.469	2.762.056
Total short-term lease liabilities	2.124.469	2.762.056
Long-term lease liabilities	1.061.045	1.752.291
Total long-term lease liabilities	1.061.045	1.752.291
Total lease liabilities	3.185.514	4.514.347

	31 March 2024	31 December 2023
To be paid within 1 year	2.124.469	2.762.056
To be paid between 1-2 years	1.061.045	1.633.173
To be paid between 2-5 years	-	119.118
	3.185.514	4.514.347

The movement of the Company's finance lease payables as at 31 March 2024 and 2023 is as follows:

	31 March 2024	31 March 2023
Opening balance as of 1 January	4.514.347	6.159.465
Purchases	-	3.077.033
Payments (-)	(2.146.653)	(925.626)
Exchange differences (Not 23)	229.627	-
Interest expense (Not 23)	157.946	230.328
Foreign exchange gains	-	(346.165)
Monetary gain	430.247	(784.248)
Closing balance at 31 March	3.185.514	7.410.787

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables and Notes Receivable

	31 March 2024	31 March 2023
Trade receivables	233.633.604	65.582.561
Trade receivables from related parties (Note 25)	255.922.805	165.631.699
Impairment provision for trade receivables (-)	(5.416.694)	(6.256.629)
	484.139.715	224.957.631

The average period for trade receivables, excluding related parties, is 199 days (December 31, 2023: 34 days). The average period for trade receivables from related parties is 8 days. (December 31, 2023: 52 days).

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

	31 March 2024	31 March 2023
Opening balance as of 1 January	(6.256.629)	(7.876.566)
Collected provisions	20.844	-
Monetary gain	819.091	1.619.937
	(5.416.694)	(6.256.629)

b) Trade Payables

	31 March 2024	31 December 2023
Trade payables	219.863.577	400.744.460
Trade payables to related parties (Note 25)	18.681.441	5.033.424
Accrued expenses	20.054.109	11.169.102
	258.599.127	416.946.986

The average term for trade payables, excluding related parties, is 114 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 %37.22 (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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY - 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

<u>Short-term other receivables</u>	31 March 2024	31 December 2023
Revenue accruals	1.637.625	1.884.311
	1.637.625	1.884.311
<u>Long-term other receivables</u>		
Other	1.476.056	1.698.404
	1.476.056	1.698.404

NOTE 8 - INVENTORIES

	31 March 2024	31 December 2023
Finished goods	722.071.215	751.305.486
Raw materials	36.306.182	426.326.873
Semi-finished goods	33.173.522	15.657.329
Trade goods	54.109.199	11.674.575
Other inventories	11.227	1.393.474
	845.671.345	1.206.357.737

The cost of stock recognized in the cost of sales is TL 533.099.138 (March 31, 2023: TL 379.207.577).

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOT 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	486.774.357	74.094.874	739.982.159	1.621.186.712	19.633.152	78.026.770	1.667.088	3.021.365.112
Additions	-	322.394	490.622	16.382.555	8.149.866	342.008	1.324.909	27.012.354
Closing balance on 31 March 2024	486.774.357	74.417.268	740.472.781	1.637.569.267	27.783.018	78.368.778	2.991.997	3.048.377.466
Accumulated Depreciation:								
Opening balance as of 1 January 2024	-	(40.344.221)	(276.719.106)	(808.215.664)	(18.027.692)	(48.409.377)	-	(1.191.716.060)
Charge for the period	-	(2.775.828)	(3.805.474)	(35.567.391)	(576.765)	(709.533)	-	(43.434.991)
Closing balance on 31 March 2024	-	(43.120.049)	(280.524.580)	(843.783.055)	(18.604.457)	(49.118.910)	-	(1.235.151.051)
Net Book Value	486.774.357	31.297.219	459.948.201	793.786.212	9.178.561	29.249.868	2.991.997	1.813.226.415

Depreciation expenses amounting to TL 39.395.537 is included in cost of sales and TL 4.039.454 is included in general administrative expenses

As of March 31, 2024, there are no capitalized finance costs on fixed assets. (31 March 2023: None).

As of March 31, 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 978.019.777 (31 December 2023: 854.994.858)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOT 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	174.705.538	39.693.023	350.428.692	836.591.061	11.277.824	43.958.535	745.180	1.457.399.853
Additions	-	-	234.668	5.519.982	114.207	447.337	-	6.316.194
Closing balance as of 31 March 2023	174.705.538	39.693.023	350.663.360	842.111.043	11.392.031	44.405.872	745.180	1.463.716.047
Accumulated Depreciation:								
Opening balance as of 1 January 2023	-	(19.221.968)	(126.574.843)	(384.592.855)	(10.291.436)	(27.178.913)	-	(567.860.015)
Charge for the period	-	(825.651)	(1.326.401)	(13.650.215)	(117.127)	(333.834)	-	(16.253.228)
Closing balance as of 31 March 2023	-	(20.047.619)	(127.901.244)	(398.243.070)	(10.408.563)	(27.512.747)	-	(584.113.243)
Net Book Value	174.705.538	19.645.404	222.762.116	443.867.973	983.468	16.893.125	745.180	879.602.804

Depreciation and write-off expenses of TL 53.151.670 have been included in the cost of sales, TL 788.172 in general administrative expenses, and TL 13.750.661 in other operating expenses.

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOT 10 - INTANGIBLE ASSETS

	Rights, Licenses and Computer Software	
	31 March 2024	31 March 2023
Cost:		
Opening balance as of 1 January 2023	6.129.679	3.384.189
Additions	335.570	253.702
Closing balance as of 31 March	6.465.249	3.637.891
Accumulated Amortization:		
Opening balance as of 1 January	(4.935.704)	(2.728.093)
Charge for period	(103.108)	(50.296)
Closing balance as of 31 March	(5.038.812)	(2.778.389)
Net Book Value	1.426.437	859.502

Depreciation expenses of intangible fixed assets of TL 93.519 (31 March 2023: TL 45.618) have been included in the cost of goods sold, TL 9.589 of general administrative expense (31 March 2023: TL 4.678)

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	15.302.753	15.302.753
Disposals	(2.146.653)	(2.146.653)
Closing balance as of 31 March 2024	13.156.100	13.156.100
Accumulated Amortization:		
Opening balance as of 1 January 2024	(7.989.322)	(7.989.322)
Charge of period	(1.343.442)	(1.343.442)
Disposals	2.146.653	2.146.653
Closing balance as of 31 March 2024	(7.186.111)	(7.186.111)
Net Book Value	5.969.989	5.969.989

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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

	Vehicles	Total
Cost:		
Opening balance as of 1 January 2023	7.709.622	7.709.622
Additions	1.798.335	1.798.335
Disposals	(1.058.129)	(1.058.129)
Closing balance as of 31 March 2023	8.449.828	8.449.828
Accumulated Amortization:		
Opening balance as of 1 January 2023	(3.134.911)	(3.134.911)
Charge for the period	(754.628)	(754.628)
Disposals	1.058.129	1.058.129
Closing balance as of 31 March 2023	(2.831.410)	(2.831.410)
Net Book Value	5.618.418	5.618.418

The average term for vehicle lease agreements is 32 months.

Accounted for in profit or loss	1 January - 31 March 2024	1 January - 31 March 2023
Depreciation expense on right-of use assets	1.343.442	754.628
Interest expense on lease liabilities	157.946	230.328
Foreign exchange gain on lease liabilities (net)	832.154	346.165
Expenses related to variable lease payments not included in the measurement of lease liabilities	2.242.822	456.860
Total	4.576.364	1.787.981

	1 January - 31 March 2024	1 January - 31 March 2023
Fixed payments	2.146.653	925.626
Variable payments	2.242.822	456.860
Total	4.389.475	1.382.486

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Litigation provisions:

	31 March 2024	31 December 2023
Litigation provisions	2.161.843	2.487.494
	2.161.843	2.487.494

b) Guarantees, pledges and mortgages:

31 March 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	2.058.312.513	9.358.000	46.806.185	130.771.075
-Guarantees	437.307.313	2.358.000	6.806.185	130.771.075
-Mortgage	1.621.005.200	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	2.058.312.513	9.358.000	46.806.185	130.771.075

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

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	2.315.693.286	15.108.000	50.662.451	143.865.280
-Guarantees	751.350.228	8.108.000	10.662.451	143.865.280
-Mortgages	1.564.343.058	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	2.315.693.286	15.108.000	50.662.451	143.865.280

NOTE 13 – EMPLOYEE BENEFITS

a) Provisions related to employee benefits:

	31 March 2024	31 December 2023
Social security premiums payable	4.446.276	4.624.545
Payables to personnel	126.080	356.494
	4.572.356	4.981.039

b) Provisions:

	31 March 2024	31 December 2023
Unused vacation provision	4.175.856	2.977.200
Retirement pay provision	6.037.619	5.863.743
	10.213.475	8.840.943

c) Unused vacation provision:

	2024	2023
Opening balance as of 1 January	2.977.199	2.205.075
Increase during the period	2.020.986	1.601.656
Paid during the period (-)	(329.077)	(577.617)
Monetary loss/gain	(493.252)	(294.885)
Closing balance at 31 March	4.175.856	2.934.229

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 13 – EMPLOYEE BENEFITS (cont'd)

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:

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 31 March 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 35.058,58 effective from 1 April 2023 has been taken into consideration in the calculation of the Company's provision for employment termination benefits (1 April 2023: TL 19.982,83).

	2024	2023
Opening balance as of 1 January	5.863.743	5.389.641
Service cost	1.699.084	2.232.677
Interest cost	47.380	43.401
Actuarial gain	(386.585)	(432.516)
Retirements benefits paid (-)	(346.378)	(69.299)
Monetary gain/loss	(828.999)	(685.535)
Closing balance as of 31 March	6.037.619	6.478.369

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 14 - OTHER ASSETS AND LIABILITIES

<u>Short-Term Contract Liabilities</u>	31 March 2024	31 December 2023
Advances received (Note 25)	18.398.077	-
	18.398.077	-

<u>Other Current Assets</u>	31 March 2024	31 December 2023
VAT carried forward	148.463.914	142.963.545
Other	1.720.530	27.190
	150.184.444	142.990.735

<u>Other Short-Term Liabilities</u>	31 March 2024	31 December 2023
Taxes and funds payable	2.097.196	2.877.522
	2.097.196	2.877.522

NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES

<u>Short-Term Prepaid Expenses</u>	31 March 2024	31 December 2023
Prepaid Expenses	24.331.216	3.887.850
Order advances given	92.154.118	1.849.942
Business advances given	49.408	24.794
	116.534.742	5.762.586

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 16 - Equity

a) Equity:

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

	31 March 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		654.982.100		654.982.100
Adjusted Capital		793.750.100		793.750.100

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.

c) Analyses of Other Comprehensive Income Items

As of 31 March 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>	31 March 2024	31 December 2023
Gain on revaluation and measurement	605.405.134	605.405.134
Loss on remeasurement of defined benefit plans	592.508	205.923
	605.997.642	605.611.057
<u>To be reclassified to profit or loss</u>	31 March 2024	31 December 2023
Cash flow hedging losses	(120.048.498)	(138.132.152)
	(120.048.498)	(138.132.152)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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 - 31 March 2024	1 January - 31 December 2023
Net profit attributable to equity holders of the parent company	5,402.785	(23.801.041)
Weighted average number of shares outstanding during the period	138.768.000	117.600.000
Earnings per share	0,04	(0,20)

NOTE 18 – REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 March 2024	1 January - 31 March 2023
Sales	844.378.526	641.091.411
Sales return (-)	(3.951.429)	(6.688.266)
	840.427.097	634.403.145

	1 January - 31 March 2024	1 January - 31 March 2023
Sales in Turkey	593.301.826	590.015.333
Export sales	247.125.271	44.387.812
	840.427.097	634.403.145

b) Cost of sales

	1 January - 31 March 2024	1 January - 31 March 2023
Raw materials	(533.099.138)	(379.207.577)
Depreciation expenses (Note: 9,10)	(46.792.748)	(20.301.554)
General production expenses	(46.167.301)	(54.998.113)
Personnel expenses	(32.004.672)	(23.228.248)
Transportation expenses	(31.308.173)	(7.675.610)
Rent expenses	(2.147.263)	(382.564)
Insurance expenses	(2.059.760)	(642.535)
Depreciation and redemption shares from leasing transactions	(1.343.442)	(1.194.192)
Fuel expenses	(762.205)	(314.692)
Maintenance and repair expenses	(651.830)	(344.465)
Consultancy expenses	(195.346)	(277.419)
Stamp, fee and other tax expenses	(150.918)	(122.858)
Other	(22.377.992)	(18.742.656)
	(719.060.788)	(507.432.483)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 19 – GENERAL ADMINISTRATION EXPENSES

a) General administrative expenses

	1 January - 31 March 2024	1 January - 31 March 2023
Financial and legal consultancy expenses	(15.442.965)	(12.437.944)
Personnel expenses	(10.149.586)	(5.542.172)
Depreciation and amortization expenses (Not: 9,10)	(2.114.472)	(358.610)
Insurance expenses	(1.939.373)	(1.268.774)
Office and general administrative expenses	(741.929)	(1.147.416)
Electricity and fuel expenses	(479.147)	(702.858)
Duties, fees and other tax expenses	(125.758)	(105.173)
Rent expenses	(95.559)	(74.296)
Maintenance and repair expenses	(58.105)	(75.604)
Travelling expenses	(14.966)	(16.324)
Other	(1.339.613)	(989.003)
	(32.501.473)	(22.718.174)

NOTE 20 – EXPENSE BY NATURE

The details of depreciation, amortization and depletion expenses by expense accounts are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Cost of sales	(46.792.748)	(20.301.554)
General administrative expenses	(2.114.472)	(358.610)
	(48.907.220)	(20.660.164)

The breakdown of amortization expenses related to rights of use by expense accounts is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Cost of sales	(1.343.442)	(754.628)
	(1.343.442)	(754.628)

The details of personnel expenses by expense accounts are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Cost of sales	(32.004.672)	(23.228.248)
General administrative expenses	(10.149.586)	(5.542.172)
	(42.154.258)	(28.770.420)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 21 – OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange gain from trade receivables	15.152.134	4.635.791
Rediscount income	491.893	223.361
Government incentives for export	626.327	373.101
Provision that are no longer	22.132	-
Other	1.183.377	1.396.296
	17.475.863	6.628.549

b) Other operating expense

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange losses from trade payables	(11.417.310)	(1.853.506)
Non-operating part expense	-	(7.999.345)
Non-operating part depreciation expense	-	(8.096.144)
Rediscount expense	(14.108.599)	(12.200.330)
Other	(355.150)	(210.975)
	(25.881.058)	(30.360.300)

NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 March 2024	1 January - 31 March 2023
Participation share revenue	62.901.154	-
Interest income	30.444.135	4.646.575
Foreign exchange gains related to investing activities	1.553.996	1.081.489
	94.899.285	5.728.064

b) Expense from investing activities

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange losses related to investing activities	(1.937.306)	(2.503.293)
	(1.937.306)	(2.503.293)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 23 – FINANCE INCOME AND FINANCE EXPENSES

a) Finance income

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange gains	1.061.781	-
Foreign exchange gains related to financial lease liabilities	-	346.165
	1.061.781	346.165

b) Finance expense

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange losses from financial liabilities	(33.773.171)	(12.728.825)
Interest expense	(7.481.239)	(31.081.999)
Letter of guarantee commissions	(1.549.612)	(5.610.970)
Exchange difference expenses related to lease obligations	(229.627)	-
Interest expenses on lease obligations	(157.946)	(230.328)
Other financing expenses	(450.331)	(14.999)
	(43.641.926)	(49.667.121)

NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	1 January - 31 March 2024	1 January - 31 December 2023
Current tax expense	17.688.210	60.805.791
Deferred tax income	40.717.911	71.969.486
	58.406.121	132.775.277

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.

As of 31 March 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.

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(cont'd)

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.

	31 March 2024	31 December 2023
Provision for current period corporate tax	(28.374.847)	38.736.531
Earthquake tax	-	50.578.791
Tax arising from legal indexation	-	20.188.677
Less: Prepaid taxes and funds	-	(97.079.066)
Tax liability for current period	(28.374.847)	(12.424.933)

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.

The deferred tax asset and liabilities consist of the following:

	31 March 2024	31 December 2023
Investment incentives	(109.031.269)	(124.485.140)
Revaluation and depreciation differences of tangible fixed assets / amortization differences of intangible assets	(141.013.380)	(170.772.796)
Provision for doubtful receivables	(1.354.174)	(1.564.158)
Provision for employment termination benefit	(1.509.405)	(1.465.936)
Provision for unused vacation	(1.043.964)	(744.299)
Trade receivables / payables rediscount (net)	1.845.796	5.812.950
Inventory adjustment	30.263.283	20.617.094
Other	7.450.257	(245.537)
	(214.392.857)	(272.847.821)

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 24 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(cont’d)

As of 31 March 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	(272.847.821)	(299.284.732)
Accounted for in the income statement	40.717.911	71.969.486
Accounted under equity	6.124.531	17.928.354
Monetary gain/loss	11.612.522	2.918.672
Closing balance on 31 March	(214.392.857)	(206.468.220)

The reconciliation of total tax expense for the period to profit for the period is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Profit/(loss) before tax	63.808.906	108.974.236
Calculated tax	(15.952.227)	(25.064.074)
- legally unrecognized expenses	(2.653.737)	(495.036)
- tax effect related to cash flow hedging accounting	(6.027.885)	(17.823.311)
- the effect of earthquake tax	-	(34.148.781)
- investment incentive deduction	-	9.845.456
- other	-	1.444.295
Monetary gain	(33.772.273)	(66.533.825)
Tax provision (expense)/income in the income statement	(58.406.121)	(132.775.277)

NOTE 25 – 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 25 – RELATED PARTY DISCLOSURES (cont’d)

31 March 2024	Trade Receivables Current	Trade Payables Current	Other Payables Current	Deferred Income
Balances with related parties				
<i>Main shareholder</i>				
TFI TAB Gıda Yatırımları A.Ş.	-	-	17.379.761	-
<i>Other related parties</i>				
Pangea Foods (China) Holdings Ltd.	253.371.037	-	-	-
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	-	-	18.398.077
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	1.647.906	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	903.862	-	-	-
Ekur İnşaat San.Tic.A.Ş. -	-	-	133.142	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	-	1.167.360	-
Arbeta Turizm Org.ve Tic. A.Ş.	-	-	1.177	-
	255.922.805	-	18.681.441	18.398.077
31 December 2023	Trade Receivables Current	Trade Payables Current	Other Payables Current	Deferred Income
Balances with related parties				
<i>Main shareholder</i>				
TFI TAB Gıda Yatırımları A.Ş.	-	-	(4.485.690)	-
<i>Other related parties</i>				
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	4.334.743	-	-	-
Pangea Foods (China) Holdings Ltd.	156.492.567	-	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	2.786.385	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	2.018.004	-	-	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	-	(423.062)	-
Arbeta Turizm Org.ve Tic. A.Ş.	-	-	(124.672)	-
	165.631.699	-	(5.033.424)	-

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 25 – RELATED PARTY DISCLOSURES (cont’d)

31 March 2024

Transaction with related parties	Purchase	Sales	Finance Expense
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(11.570.070)	-	-
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	(6.155.084)	345.979.221	-
Pangea Foods (China) Holdings Ltd.	-	-	-
Ekur Et Entegre San. ve Tic. A.Ş.	(1.160.103)	520.020	-
Ekur İnşaat San.Tic.A.Ş.	(200.952)	-	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(589.517)	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(74.122)	-	-
Tab Gıda Sanayi ve Ticaret A.Ş.	-	-	(378.508)
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	4.381.250	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	8.852.901	-
	(19.749.848)	359.733.392	(378.508)

31 March 2023

Transaction with related parties	Purchase	Sales	Other Revenue
<i>Main shareholder</i>			
TFI TAB Gıda Yatırımları A.Ş.	(7.020.151)	-	-
<i>Other related parties</i>			
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	289.135.851	14.958
Pangea Foods (China) Holdings Ltd.	-	26.318.733	-
Ekur Et Entegre San. ve Tic. A.Ş.	-	321.368	-
Ekur İnşaat San.Tic.A.Ş.	(48.465)	-	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	(38.508)	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(100.954)	-	-
Atasancak Acıpayam Tarım İşletmesi San. ve Tic. A.Ş.	-	2.588.471	-
	(7.208.078)	318.364.423	14.958

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 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 – RELATED PARTY DISCLOSURES (cont’d)

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

	1 January - 31 March 2024	1 January - 31 March 2023
Salaries and other short-term benefits	1.896.984	247.722
	1.896.984	247.722

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 26 – 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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 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 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

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

	31 March 2024	31 December 2023
Total borrowings	355.499.386	724.225.221
Less: Cash and cash equivalents	595.322.278	1.007.770.362
Net debt	(239.822.892)	(283.545.141)
Total equity	3.546.985.695	3.529.190.408

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.

(Convenience translation of financial statements originally issued in Turkish)

ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 26 – 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:

	31 March 2024		
	Total TL equivalent	USD	EUR
1. Trade Receivables	253.377.298	-	7.280.476
2a. Monetary Financial Assets	171.903	1.025	3.988
2b. Non-Monetary Financial Assets	-	-	-
3. Other	69.297.780	23.074	1.969.779
4. Current Assets	322.846.981	24.099	9.254.243
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current assets	-	-	-
9. Total Assets (4+8)	322.846.981	24.099	9.254.243
10. Trade Payables	118.553.083	3.448.517	201.223
11. Financial Liabilities	263.141.600	47.541	7.503.340
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities	381.694.683	3.496.058	7.704.563
14. Trade Payables	-	-	-
15. Financial Liabilities	44.162.332	-	1.266.667
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. Long Term Liabilities	44.162.332	-	1.266.667
18. Total Liabilities (13+17)	425.857.015	3.496.058	8.971.229
19. Amounts Subject to Cash Flow Hedging Accounting	-	-	-
20. Net Foreign Exchange Asset / Liability Position After Cash Flow Hedging Accounting (9-18+19)	(102.428.386)	(3.471.959)	283.014
21. Net Monetary Items Foreign Exchange Asset / Liability Position (9-18)	(171.851.014)	(3.495.033)	(1.686.765)

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ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

NOTE 26 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

	31 December 2023		
	Total TL equivalent	USD	EUR
1. Trade Receivables	156.499.317	-	4.804.439
2a. Monetary Financial Assets	143.001	1.195	3.310
2b. Non-Monetary Financial Assets	-	-	-
3. Other	1.796.765	-	55.160
4. Current Assets	158.439.083	1.195	4.862.908
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	-	-	-
9. Total Assets (4+8)	158.439.083	1.195	4.862.908
10. Trade Payables	118.983.204	3.847.859	175.268
11. Financial Liabilities	558.146.101	7.944.107	9.955.391
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities	677.129.305	11.791.965	10.130.659
14. Trade Payables	-	-	-
15. Financial Liabilities	98.113.344	268.153	2.769.684
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary	-	-	-
17. Long Term Liabilities	98.113.344	268.153	2.769.684
18. Total Liabilities (13+17)	775.242.649	12.060.119	12.900.342
19. Amounts Subject to Cash Flow Hedging Accounting	414.894.701	-	12.737.029
20. Cash Flow Hedging After Net Foreign Exchange Currency Asset/Liability Position (9-18+19)	(201.908.865)	(12.058.923)	4.699.595
21. Net Monetary Items Foreign Exchange Asset /Liability Position (9-18)	(618.600.331)	(12.058.923)	(8.092.594)

	31 March 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	(15.099.453)	15.099.453	(3.976.483)	3.976.483
In case of 10% change in EUR against TRY	(56.383.561)	56.383.561	(4.045.321)	4.045.321
Total	(71.483.014)	71.483.014	(8.021.804)	8.021.804