

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

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2024**

(ORIGINALLY ISSUED IN TURKISH)

**BANVIT BANDIRMA VITAMINLI YEM SANAYII ANONIM ŐIRKETI AND ITS
SUBSIDIARIES**

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

	<i>Notes</i>	Reviewed 30 June 2024	Audited 31 December 2023
ASSETS			
Current Assets			
Cash and cash equivalents	3	3,179,774,205	1,569,948,240
Trade receivables	6	2,015,910,012	1,897,369,372
- <i>Related parties</i>	5	99,702,978	39,955,273
- <i>Other parties</i>		1,916,207,034	1,857,414,099
Other receivables		170,633,197	139,526,032
- <i>Other parties</i>		170,633,197	139,526,032
Inventories	7	1,395,408,532	1,591,036,445
Biological assets	8	1,437,514,498	1,459,023,150
Prepaid expense	10	326,884,811	176,441,194
Current tax assets	17	269,533,831	179,483,246
Other current assets	11	864,545,729	990,412,056
Subtotal		9,660,204,815	8,003,239,735
Assets held for sale	14	49,625,677	49,625,677
Total Current Assets		9,709,830,492	8,052,865,412
Non-Current Assets			
Other receivables		374,448	473,183
- <i>Other parties</i>		374,448	473,183
Property, plant and equipment	12	5,204,471,290	5,369,576,296
Right of use of assets		282,124,653	89,088,529
Intangible assets	13	71,818,670	104,967,945
- <i>Other intangible assets</i>		71,818,670	104,967,945
Prepaid expenses	10	62,488	18,040,566
Total Non-current Assets		5,558,851,549	5,582,146,519
Total Assets		15,268,682,041	13,635,011,931

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

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

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

	<i>Notes</i>	Reviewed 30 June 2024	Audited 31 December 2023
LIABILITIES			
Short-term Liabilities			
Short-term borrowings	4	1,160,668,708	1,528,560,266
Short-term financial lease liabilities	4	70,986,266	9,285,435
-Lease liabilities due from other parties		70,986,266	9,285,435
Short-term portions of long-term borrowings	4	55,247,793	57,563,238
Other financial liabilities	4	7,819,460	1,599,210
Trade payables		3,990,859,248	4,213,670,264
-Other parties	6	3,990,859,248	4,213,670,264
Liabilities related to the employee benefits		105,069,516	181,100,123
Derivatives		11,129,378	11,776,637
Other payables		266,623,516	276,562,968
-Related parties	5	259,981,601	272,753,672
-Other parties		6,641,915	3,809,296
Deferred revenue		34,371,713	76,147,231
Current tax liabilities	17	813,392,352	483,733,295
Short-term provisions		260,419,943	201,716,605
-Provisions related to the employee benefits		237,935,586	176,515,830
-Other		22,484,357	25,200,775
Other short term liabilities		1,395,216	732,799
Total Short-term Liabilities		6,777,983,109	7,042,448,071
Long-term Liabilities			
Long-term borrowings	4	71,950,708	86,495,025
Long-term financial lease liabilities	4	131,420,136	13,984,355
-Lease liabilities due from other parties		131,420,136	13,984,355
Long-term provisions		805,561,869	926,090,690
-Provisions related to the employee benefits		805,561,869	926,090,690
Deferred tax liability	17	83,280,526	75,788,378
Total Long-term Liabilities		1,092,213,239	1,102,358,448
Total Liabilities		7,870,196,348	8,144,806,519
EQUITY			
Paid-in share capital	15	100,023,579	100,023,579
Inflation adjustment of capital	15	1,712,232,003	1,712,232,003
Accumulated other comprehensive expense that will not be reclassified through profit or loss		(453,547,986)	(447,040,092)
-Remeasurement of the defined benefit liability		(919,548,644)	(919,548,644)
-Fixed assets revaluation	15	466,000,658	472,508,552
Accumulated other comprehensive expense that may be reclassified through profit or loss		155,775,993	765,430,033
-Change in foreign exchange differences		155,775,993	765,430,033
Restricted reserves	15	210,303,637	210,303,637
Other reserves	15	71,369,394	71,369,394
Retained earnings	15	3,688,337,628	1,890,456,492
Net profit for the period		1,913,991,445	1,187,430,366
Total Equity		7,398,485,693	5,490,205,412
Total Equity and Liabilities		15,268,682,041	13,635,011,931

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

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

**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

	Notes	Reviewed Current Period 1 January - 30 June 2024	Not Reviewed Current Period 1 April - 30 June 2024	Reviewed Previous Period 1 January - 30 June 2023	Not Reviewed Previous Period 1 April - 30 June 2023
PROFIT OR LOSS					
Revenue	16	13,891,787,661	7,050,311,592	13,182,319,369	6,776,757,970
Cost of Sales (-)	16	(10,399,030,831)	(4,976,910,961)	(11,887,064,934)	(5,561,196,977)
Gross Profit from Trading Activities		3,492,756,830	2,073,400,631	1,295,254,435	1,215,560,993
General administrative expenses (-)		(320,045,564)	(134,808,478)	(282,502,356)	(145,097,221)
Selling, marketing and distribution expenses (-)		(774,538,421)	(370,524,219)	(703,275,570)	(348,506,096)
Research and development expenses (-)		(410,461)	(170,586)	(258,908)	(117,277)
Other income from operating activities	19	371,386,478	175,253,103	419,513,784	265,250,216
Other expenses from operating activities (-)	19	(245,287,780)	(53,913,526)	(1,203,437,988)	(956,812,304)
Profit From Operating Activities		2,523,861,082	1,689,236,925	(474,706,603)	30,278,311
Income from investing activities		--	--	22,091,754	(7,892,865)
Loss from investing activities (-)		(400,717)	--	(17,208)	--
Profit From Operating Activities Before Financial Expense		2,523,460,365	1,689,236,925	(452,632,057)	22,385,446
Finance income		272,307,297	215,059,854	331,095,765	329,553,291
Finance expenses (-)		(554,033,349)	(327,959,675)	(703,486,161)	(429,652,850)
Monetary Gain/Loss (-)		540,472,313	178,601,901	972,746,538	(21,449,533)
Profit Before Tax		2,782,206,626	1,754,939,005	147,724,085	(99,163,646)
Tax Expense					
- Tax income/(expense) for the period	17	(860,723,033)	(509,821,244)	--	--
-Deferred tax income/(expense)	17	(7,492,148)	(53,642,622)	51,854,133	29,707,137
Profit/(Loss) for the Period from Continuing Operations		1,913,991,445	1,191,475,139	199,578,218	(69,456,509)
Profit/(Loss) for the Period from Discontinued Operations		--	--	(66,345,641)	308,187,081
Distribution of Net Profit					
-Parent company		1,913,991,445	1,191,475,139	133,232,577	238,730,572
Profit/(Loss) per share					
Profit/(Loss) per share from continuing operations		19.1354	11.9119	1.9953	(0.6944)
Profit/(Loss) per share from discontinued operations		--	--	--	--
Diluted profit per share from continuing operations		--	--	(0.6633)	3.0811
OTHER COMPREHENSIVE INCOME					
That will not be reclassified through profit or loss		--	--	--	--
-Re-measurement losses of defined benefit plans		--	--	--	--
-Deferred tax income		--	--	--	--
-Increases/(decreases) in revaluation of property, plant and equipment, net		--	--	--	--
-Deferred tax effect of increases/(decreases) in revaluation of property, plant and equipment		--	--	--	--
That will be reclassified through profit or loss		(5,711,164)	23,674,994	100,228,897	(278,006,487)
-That will be reclassified through profit or loss		(5,711,164)	23,674,994	76,776,842	(320,938,297)
-Gains/losses from hedging		--	--	29,315,068	53,664,762
Deferred tax income/(expense)		--	--	(5,863,013)	(10,732,952)
Total Other Comprehensive Income		(5,711,164)	23,674,994	100,228,897	(278,006,487)
Total Comprehensive Income		1,908,280,281	1,215,150,133	233,461,474	(39,275,915)

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

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

			Other accumulated comprehensive income and expenses not to be reclassified in profit or loss		Other accumulated comprehensive income and expenses to be reclassified in profit or loss				Retained Earnings		
	Paid-in capital	Capital adjustment differences	Re-measurement of the defined benefit liability	Revaluation funds	Change in foreign exchange differences	Hedging gains/ losses	Other reserves	Restricted profit reserves	Retained earnings	Net profit/ (loss) for the period	Total equity
Balance as at 1 January 2024	100,023,579	1,712,232,003	(919,548,644)	472,508,552	765,430,033	--	71,369,394	210,303,637	1,890,456,492	1,187,430,366	5,490,205,412
Transfers	--	--	--	(6,507,894)	(603,942,876)	--	--	--	1,797,881,136	(1,187,430,366)	--
Total comprehensive income	--	--	--	--	(5,711,164)	--	--	--	--	1,913,991,445	1,908,280,281
Balance as at 30 June 2024	100,023,579	1,712,232,003	(919,548,644)	466,000,658	155,775,993	--	71,369,394	210,303,637	3,688,337,628	1,913,991,445	7,398,485,693
Balance as of 1 January 2023	100,023,579	1,712,232,003	(372,431,636)	190,024,441	1,225,969,516	(23,452,055)	5,611,290	15,190,838	3,363,808,843	(1,225,727,109)	4,991,249,710
Classification	--	--	--	--	--	--	65,758,104	195,112,799	(260,870,903)	--	--
Balance as at 1 January 2023	100,023,579	1,712,232,003	(372,431,636)	190,024,441	1,225,969,516	(23,452,055)	71,369,394	210,303,637	3,102,937,940	(1,225,727,109)	4,991,249,710
Transfers	--	--	--	(7,861,885)	--	--	--	--	(1,217,865,224)	1,225,727,109	--
Sales impact of subsidiary	--	--	--	--	(169,907,212)	--	--	--	--	--	(169,907,212)
Total comprehensive income	--	--	--	--	76,776,842	23,452,055	--	--	--	133,232,577	233,461,474
Balance as at 30 June 2023	100,023,579	1,712,232,003	(372,431,636)	182,162,556	1,132,839,146	--	71,369,394	210,303,637	1,885,072,716	133,232,577	5,054,803,972

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

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)
(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

	<i>Note</i>	Reviewed 1 January- 30 June 2024	Reviewed 1 January- 30 June 2023
CASH FLOWS ARISING FROM OPERATING ACTIVITIES			
Profit for the Period		1,913,991,445	133,232,577
Profit/(Loss) for the Period from Continuing Operations		1,913,991,445	199,578,218
Profit/(Loss) for the Period from Discontinued Operations			(66,345,641)
Adjustments Regarding Net Profit Reconciliation for the Period:		1,151,498,605	(276,813,529)
Adjustment of Depreciation And Amortization		688,313,014	820,013,069
Adjustment of Decrease in Value of Trade Receivables		(1,189,275)	401,525
Adjustments for Fair Value (Gains)/Losses of Derivative Financial Instruments		(1,811,364)	(321,806,149)
Adjustment of Decrease in Value in Inventories	7	(13,180,190)	(20,421,889)
Adjustment of Provisions for Employee Benefits		(36,506,897)	(46,929,291)
Adjustments for Provisions		(2,447,499)	2,274,081
Adjustments related to unrealized foreign exchange differences		--	--
Adjustments for Tax (Income) / Expense	17	868,215,181	(51,854,133)
Adjustments for losses and gains from the disposal of assets held for sale		--	7,844,674
Adjustments related to interest expenses		270,948,791	175,625,236
Adjustments related to interest income		(206,089,651)	(4,470,420)
Inflation Impact on Operating Activities		(955,620,967)	(990,588,568)
Non-operating Foreign Exchange Gain and Loss		540,867,462	153,098,336
Changes in Working Capital		640,742,365	1,680,655,718
Change in Trade Receivables		(530,938,361)	(908,202,932)
Change in Inventories		741,617,171	1,253,509,734
Change in Trade Payables		657,523,649	1,009,299,925
Change in Employee Benefits		43,050,321	114,717,366
Change in Government Grants		--	(3,200,229)
Change in Other Assets Regarding Operating Activities		(289,202,147)	148,023,925
Change in Other Liabilities Regarding Operating Activities		18,691,732	66,507,929
Net Cash Provided from Operating Activities		3,706,232,415	1,537,074,766
Taxes paid		(591,501,612)	149,526,723
Payments made within the scope of provisions for employment benefits		(43,757,369)	(49,496,167)
Net Cash Provided From Operating Activities		3,070,973,434	1,637,105,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds From Sale of Property, Plant, Equipment and Intangible Assets		4,986,298	1,155,465
Acquisition Of Property, Plant, Equipment, and Intangible Assets		(19,230,715)	(276,745,100)
Proceeds From Assets Held for Sale		--	22,091,754
Proceeds From Sale of Biological Assets		7,200,024,071	8,005,210,825
Acquisition and Physical Change on Biological Assets	8	(8,145,575,531)	(8,896,665,757)
Cash Advances Given and Payables	8	17,978,077	178,814,811
Net Cash Flows provided from/ (Used in) Investing Activities		(941,817,800)	(966,138,002)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	4	909,272,727	4,230,150,502
Repayment of borrowings	4	(956,500,000)	(4,462,207,764)
Repayment of lease liabilities		(37,421,861)	(11,768,571)
Proceeds from other financial borrowings		(7,015,052)	(90,391,141)
Interest received		206,089,651	4,470,420
Interest paid		(47,227,273)	(235,530,563)
Cash Flows Provided From Financing Activities		67,198,192	(565,277,117)
NET DECREASE /INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF TRANSLATION DIFFERENCE		2,196,353,826	105,690,203
Effect of Foreign Exchange Differences		(5,711,164)	(93,130,371)
Cash and Cash Equivalents		2,190,642,662	12,559,832
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,491,761,228	1,016,048,291
Effects of inflation on cash		(540,867,462)	(153,098,336)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	3,141,536,428	875,509,787

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)

(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

1 ORGANISATION AND OPERATION OF THE GROUP

Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi (“Company” or “Banvit”), was established in Bandırma, Turkey, in 1968. 8.29% of Banvit shares are listed on the Istanbul Stock Exchange (“ISE”) (31 December 2023: 8.29%).

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

The subsidiaries included in consolidation as of 30 June 2024 and 31 December 2023, their cities of incorporation, nature of businesses and participation rates of the Company are as follows:

	Country of Subsidiary	Field of Subsidiary	Participation Rate	
			30 June 2024	31 December 2023
Nutrinvestments B.V.(*)	Holland	Holding Company	100%	100%
Banvit Enerji ve Elektrik Üretim Anonim Şirketi (“Banvit Enerji”)**)	Turkey	Energy production	100%	100%

(*) The liquidation decision of Nutrinvestment B.V., which is 100% owned by Banvit, was taken as of 31 March 2024, and the liquidation process has not been completed as of 30 June 2024.

(**) The liquidation process of Banvit Enerji ve Elektrik Üretim A.Ş., which is 100% owned by Banvit, was initiated as of 4 April 2024, according to the decision made at the general assembly meeting.

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

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

1 ORGANISATION AND OPERATION OF THE GROUP (Continued)

As of 30 June 2024, and 31 December 2023, the number of personnel by category is as follows:

	30 June 2024	31 December 2023
Blue collar	4,202	4,174
White collar	659	642
Total number of employees	4,861	4,816

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)
(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

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

Ömerli Mahallesi, Ömerli Sokak, No: 2/8A
10202 Bandırma - Balıkesir / Turkey
Website: <http://www.banvit.com/>

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Functional Currency and Reporting Currency

These consolidated financial statements are presented in the Company's functional currency, which is the Turkish Lira (“TRY”). The functional currencies of foreign subsidiaries are as follows:

Functional Currency

Nutrinvestments B.V.

European Union Currency (“Avro”)

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

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

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)
(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

Adjustment of financial statements in hyperinflationary periods

The Group has prepared its consolidated financial statements as of June 30, 2024, by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by the Public Oversight Authority ("KGK") on November 23, 2023, and the "Implementation Guide on Financial Reporting in High Inflation Economies." According to this standard, financial statements prepared in the currency of a high-inflation economy should be presented in terms of the purchasing power of that currency at the balance sheet date, and comparative information from prior periods should be expressed in terms of the current measurement unit at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of December 31, 2023, based on the purchasing power principle as of June 30, 2024.

In accordance with the CMB's decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on December 31, 2023.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute. As of December 30, 2024 the indexes and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment Factor	Three-Year Compound Inflation Rate
30 June 2024	2.319.29	1.00000	324%
31 December 2023	1.859.38	1.24735	268%
30 June 2023	1.351.59	1.71597	190%

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

The consolidated financial statements for the current period presented in TL are expressed in terms of the purchasing power at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.

Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)
(The information provided only for comparison purposes is expressed in purchasing power as of 30 June 2024.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.

All items in the statement of comprehensive income, except for the effects of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.

The effect of inflation on the Group's net monetary asset position in the current period is recognized in the consolidated income statement in the net monetary position loss account.

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items measured in foreign currency's historical cost are translated using the exchange rate at the date of the transaction.

The closing exchange rates for the reporting periods are as follows:

	30 Haziran 2024		31 Aralık 2023	
	End of Period	Period Average	End of Period	Period Average
Avro (“EUR”) / TL	35.1284	34.3232	32.5739	25.7198
ABD Doları (“USD”) / TL	32.8262	31.8349	29.4382	23.7776

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

Banvit and its subsidiary operating in Turkey maintain their accounting records and statutory books in Turkish Lira (TRY) in accordance with the prevailing commercial and financial regulations. Subsidiaries operating in foreign countries maintain their accounting records and statutory books in the currencies of the countries where they operate and prepare them in accordance with the regulations of those countries.

The consolidated financial statements attached herewith have been prepared in accordance with the Turkish Financial Reporting Standards ('TFRS') issued by the Public Oversight, Accounting and Auditing Standards Authority ('KGK') in accordance with the provisions of the Communiqué on Principles Regarding Financial Reporting in the Capital Markets ('Communiqué') published in the Official Gazette dated June 13, 2013, numbered 28676 by the Capital Markets Board ('CMB'). TFRS includes Standards and Interpretations published by the KGK under the names of Turkish Accounting Standards ('TAS'), Turkish Financial Reporting Standards, TAS Interpretations, and TFRS Interpretations.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

The financial statements have been presented in accordance with the formats determined in the 'TFRS Taxonomy' published by the KGK on October 4, 2022, and the Financial Statement Examples and Usage Guide published by the CMB.

The summarized consolidated financial statements for the six-month interim period ended June 30, 2024, of the Group have been approved by the Board of Directors on August 13, 2024, for publication. The General Assembly and relevant regulatory authorities have the right to amend the financial statements prepared in accordance with legal regulations and the TFRS, as well as the summarized consolidated financial statements prepared for the interim period in accordance with TFRS.

Consolidation principles

Subsidiaries refer to the companies over which Banvit has the authority and power to control financial and operational policies in accordance with Banvit’s interests through (a) having the authority to exercise more than 50% of the voting rights in the company either directly or indirectly, or (b) exercising actual control over financial and operational policies even if not holding more than 50% of the voting rights.

Items in the financial position statement, excluding paid-in capital and equity as of the acquisition date for the company and its subsidiaries, are aggregated. In the aggregation process, intercompany receivables and payables among consolidated entities are eliminated.

Shares in the company and its subsidiaries are mutually eliminated from the financial investments in the company and the capital account in the subsidiaries.

As of the date a company becomes a subsidiary within the consolidation scope and in subsequent share purchases, the acquisition cost of the shares held by the company in the capital of the subsidiaries is deducted from the value represented in the equity of the financial position statement, which is based on the fair value of these shares in the subsidiaries.

From the equity account group of the subsidiaries within the consolidation scope, amounts attributable to non-controlling interests outside the company and its subsidiaries are deducted and shown in the consolidated financial position statement under the equity account group named 'Non-Controlling Interests'. As of June 30, 2024, there are no non-controlling interests.

Intercompany purchase and sale transactions between the company and its subsidiaries, and the resulting gains and losses from these transactions are eliminated in the consolidated profit or loss and other comprehensive income statement. The eliminated gains and losses include securities, inventories, tangible and intangible fixed assets, financial fixed assets, and other assets traded among the consolidated entities.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

Comparatives and restatement of prior periods’ financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance, Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

2.2 Significant accounting estimates and assumptions

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

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

a) Provision for employment termination benefits

Termination indemnity liability is determined by using actuarial assumptions as discount rates, future salary increases and employee turnover rates by the Group. Actuarial gains or losses are stated in consolidated other comprehensive income.

b) Trade receivable

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

c) Useful life

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions(Continued)

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

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

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

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

In fair value calculations, the most effective and efficient use evaluation was made and the current usage purposes were determined as the most effective and efficient use, and the peer comparison method was used for lands and plots, and the cost approach method was used for underground and surface landscapes and buildings

The details of the methods and assumptions used within the scope of the valuation studies carried out are as follows:"

- In the peer comparison method, the existing market information was used, the prices were adjusted within the framework of the criteria that may affect the market value, considering the similar real estates that were recently put on the market, and the average m2 sales value for the plots subject to the report was determined. The peers found were compared according to criteria such as location, size, zoning status, physical characteristics, and real estate marketing firms were interviewed for an up-to-date evaluation of the real estate market, and the existing knowledge of an independent professional valuation company was used.
- In the cost approach method, the value of the real estate is determined by adding the investment costs on the land to the land value after amortization (subtracting the depreciation after adding any interest or gain). In the calculation of the land value among the components discussed in the cost approach method, the equivalent comparison method explained above was used.
- Cost approach method was used in valuation of property, plant and equipment. Due to the fact that valuation is an integrated industrial plant valuation as a whole, in the light of market data to the extent that it is applicable in valuation of property, plant and equipment; It was built on active and operational values within the integrated plant and the property, plant and equipment in question were examined on a line basis.

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

e) Deferred tax asset

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets/liabilities arising from deductible temporary differences are recognized only if it is probable that future taxable profits will be available to utilize these differences.

As part of the preparation process of the consolidated financial statements, the Group is required to estimate income tax for each country in which it operates. This process involves estimating deferred tax assets or liabilities by evaluating current tax expenses, deferred income, and temporary timing differences calculated from adjustments made for reporting purposes. The Group Management records deferred tax assets in situations where they can be offset against future taxable income or deducted. Deferred tax assets are recognized in cases where it is probable that tax benefits will be realized in future periods. Therefore, the recognition of deferred tax assets is dependent on the estimation of future financial performance.

f) Impairment of inventory

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

g) Provision for Lawsuits

Provisions for lawsuits are recognized based on the likelihood of losing the cases and the potential consequences if they are lost, as evaluated in accordance with the opinions of the Group's legal advisors. The Group Management uses available data to make the best estimates and recognizes provisions as deemed necessary. In cases of disputes with tax authorities, tax expenses must be estimated and evaluated until a decision is received from the relevant authorities or the legal process is concluded, for items where the tax calculation method cannot be precisely determined.

2.3 Significant accounting policies

Cash and cash equivalents

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

Inventories

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Biological Assets

Biological assets are measured at their fair value less costs to sell, and changes in fair value are recognized in profit or loss. In cases where the fair value cannot be determined reliably, it is recognized in profit or loss by deducting accumulated depreciation and accumulated impairment provisions from the cost at the end of the period.

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

Broiler live chickens are recorded directly at production cost, following slaughter periods at the end of their useful life. Biological assets owned by the Group do not have a quoted market price and the company clearly understands that alternative measurements of fair value are not reliable, therefore biological assets are measured at cost less any accumulated depreciation and accumulated impairment losses. Group management determines the useful life of biological assets by calculating the potential number of eggs that they can lay under normal conditions.

Related parties

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

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

The Group enters into business relationships with related parties in the course of its ordinary activities.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Tangible assets

All tangible assets are initially recognized at cost. Land, buildings, and machinery are subsequently stated at fair value less depreciation after being revalued by professionally qualified valuation specialists. All other tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. When a tangible asset is sold, the income or loss resulting from the sale is included in the statement of income and profit or loss after deducting the asset's cost and accumulated depreciation from the accounts. When a revalued asset is sold, the related revaluation surplus is transferred to retained earnings.

The purchase dates were taken into account in bringing all tangible assets, excluding underground and overground installations, buildings, and machinery, to the purchasing power of the Turkish Lira as of December 31, 2023, indexed to December 31, 2021. Depreciation for tangible assets is calculated using the straight-line method over the assets' estimated useful lives, based on amounts adjusted for inflation accounting.

The cost of a tangible asset comprises the purchase price, import duties, non-refundable taxes, and any costs directly attributable to bringing the asset to working condition for its intended use. Repairs and maintenance costs incurred after the tangible asset is put into use are recognized as expenses in the period in which they are incurred. If such expenditures provide an enhancement to the future economic benefits of the asset, they are added to the asset's cost and depreciated over the remaining useful life..

Land, underground and overground installations, buildings, and machinery and equipment: The increases resulting from revaluation of carrying amounts are recorded as credits in the revaluation surplus under equity in the balance sheet, net of deferred tax effects. Revaluation increases related to assets for which impairment losses were previously recognized in the statement of comprehensive income are credited to the statement of comprehensive income in the amount of the previously recognized impairment loss. Decreases corresponding to previous period revaluation increases of the same asset are deducted from the surplus; all other decreases are reflected in the statement of comprehensive income. Each year, the difference between the depreciation calculated on the revalued amount (depreciation reflected in the statement of comprehensive income) and the depreciation allocated based on the cost of the asset before revaluation is transferred from the revaluation surplus to retained earnings, net of deferred tax effects.

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

Land, Buildings, Underground and Overground Installations	15-50 years
Machinery, Plant, and Equipment	2-15 years
Vehicles	4-5 years
Fixtures and Fittings	3-15 years
Special Costs	5-15 years

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Intangible assets

Intangible assets have a limited useful life and mainly include rights and computing software. These assets are reflected in the financial statements over their acquisition costs, with their accumulated amortization and net value after deducting any impairment, if any. These assets are amortized using the straight-line method within an average of five years from the date of acquisition. Maintenance and repair costs of computer software programs are expensed when service is performed.

Losses and gains arising from the disposal of intangible assets or impairment losses over their indexed values are shown in the relevant income and expense accounts. The salvage value of intangible assets is not estimated to be significant. Intangible assets are tested for impairment if their carrying value may be higher than their recoverable value.

Leases

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

As a lessee

At the commencement date of a lease, or the date of modification of a contract that contains a lease component, the Group allocates each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected not to separate non-lease components from lease components, and instead accounts for each lease component and any associated non-lease components as a single lease component.

At the commencement date of the lease, the Group recognizes a right-of-use asset and a lease liability on its financial statements. The cost of the right-of-use asset comprises the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs, and any estimated costs to dismantle and remove the asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Share capital

Ordinary shares

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

Taxes calculated on corporate earnings

Income tax expense comprises current and deferred tax, It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

In Turkey, the corporate tax rate is 25% as of June 30, 2024 (December 31, 2023: 23%). The corporate tax rate is applied to the net corporate income determined after adding non-deductible expenses according to tax laws and deducting exemptions and incentives provided by tax laws from the commercial profit of corporations.

The Group calculates deferred tax assets and liabilities by considering the effects of temporary differences arising from different valuations of financial statement items between those prepared in accordance with the accounting standards published by the Public Oversight Authority (KGK) and the statutory financial statements. These temporary differences generally arise from the recognition of income and expenses in different reporting periods according to the accounting standards and tax laws.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received, reflecting any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Government grants

Government grants are not recognized in the financial statements without reasonable assurance that the entity will meet the conditions necessary to obtain the grant and that the grant will be received.

Government grants are systematically recognized in profit or loss over the periods in which the related costs are incurred. As a financing instrument, government grants are not recognized in profit or loss to clarify the expenditure items they finance but are instead associated with the financial position (balance sheet) as unearned income and systematically recognized in profit or loss over the economic life of the related assets.

Government grants provided to offset previously incurred expenses or losses, or to provide urgent financial support to the entity without future costs, are recognized in profit or loss when they become receivable

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Assets Held for Sale

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

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

Non-current intangible and tangible assets are not subject to amortization or depreciation once classified as held-for-sale or held-for-distribution

Discontinued operations are an important part of the Group's disposal, and their operations and cash flows can be separated from the Group as a whole. The operating results obtained until the date when the Group's control over the disposed operations ends are presented in a separate line under the heading "discontinued operations" in the consolidated statement of profit or loss. The consolidated profit or loss statement for the previous period is restated in accordance with the comparison principle, and the operating results of the discontinued operations for the previous accounting period are also classified as "discontinued operations".

The net profit/loss for the period regarding the discontinued operations is shown in a separate line as the net profit/loss from discontinued operations in the income statement.

Employee benefits

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

Provisions, contingent assets and liabilities

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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

Impairment on non financial assets

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

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

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

Revenue

The Group recognizes revenue in the consolidated financial statements when it satisfies a performance obligation by transferring a promised good to the customer or as it transfers the good. Revenue is recognized when control of an asset is transferred to the customer.

The Group recognizes revenue in the consolidated financial statements based on the following 5 fundamental principles:

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

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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

The Group recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service. The Group recognized revenue from its customers only when all of the following criteria are met:

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

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

When a third party is involved in to sales transaction in order to provide of goods or services to the customer, the Group determines that the nature of its commitment is performed as a principal or agent by the Group. It is principal if the group controls the specified goods or services before transferring those goods or services to the customer. In that case, when (or as long as) it fulfills its performance

obligation, it includes the revenue in the consolidated financial statements equal to the gross amount of the price it expects to be entitled in return for the transferred goods or services. If the Group acts as an intermediary in the supply of goods or services for which a performance obligation has been determined by another party, it is in the position of an agent and does not reflect the revenue for the said performance obligation in the consolidated financial statements.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as mcoine from operatmg activities in current penod.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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

Dividend and interest income

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

Finance income and expense

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

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

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

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

Foreign currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into TL at the exchange rates at the reporting date, The income and expenses of foreign operations are translated into TL at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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

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

Earnings / (losses) per share

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

Financial Instruments

Classification and measurement of financial assets and financial liabilities

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI, This election is made on an investment-by-investment basis, All financial assets not classified as measured at amortised for the FVOCI as described above are measured at FVTPL, This includes all derivative financial assets, On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Impairment of financial assets

With the application of IFRS 9, the 'Expected Credit Loss' (ECL) model has replaced the 'Incurred Loss' model under IAS 39. The new impairment model applies to financial assets measured at amortized cost, contract assets, and debt instruments measured at fair value through other comprehensive income (FVOCI), but it does not apply to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

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

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

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

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

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

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.
- The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.
- The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).
- The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.
- The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

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

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

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

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

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

2.4 New and revised standards and interpretations

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations (Continued)

a) *Standards, amendments, and interpretations applicable as of 30 June 2024:*

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.
- **IFRS S1, ‘General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.
- **IFRS S2, ‘Climate-related disclosures’;** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

b) *Standards, amendments, and interpretations issued but not yet effective as of 30 June 2024:*

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations (Continued)

- **Amendments to IAS 9 and IFRS 7 on Supplier finance arrangements;** ; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **IFRS 18 Presentation and Disclosure in Financial Statements;**effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, managementdefined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Use of Accounting Estimates and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

i) Revaluation of Land, Buildings, Land Improvements, and Machinery, Plant, and Equipment

The frequency of revaluation is determined to ensure that the carrying amounts of revalued tangible fixed assets do not differ significantly from their fair values at the end of the relevant reporting period.

The frequency of revaluation depends on the changes in the fair values of tangible fixed asset items. In this context, based on the assessments made by the Group management, it is assumed that the carrying amounts of land and plots, buildings, land and underground improvements, and machinery, plant, and equipment, after the accumulated depreciation calculated from the revaluation dates, would approximate their respective fair values as of 30 June 2024.

2.6 Changes in Significant Accounting Estimates and Errors

The preparation of the accompanying financial statements in conformity with Turkish Accounting Standards requires management to make estimates that affect the reported amounts of certain assets and liabilities, the disclosures regarding contingent liabilities, and the amounts of reported income and expenses. Actual results may differ from those estimates. These estimates are reviewed periodically and are reported in the income statement for the periods in which they become known.

3 CASH AND CASH EQUIVALENTS

As of 30 June 2024 and 31 December 2023, cash and cash equivalents comprised the following:

	30 June 2024	31 December 2023
Cash on hand	1,257,395	1,359,264
Banks	3,140,279,033	1,490,401,963
-Time Deposits	2,418,027,800	775,883,859
-Demand Deposits	722,251,233	714,518,104
Cash at blockage (*)	38,237,777	78,187,013
Total	3,179,774,205	1,569,948,240

(*) As at 30 June 2024, TL 38,237,777 of cash blockage amount mainly comprised of the credit card receivables with a maturity less than 3 months (31 December 2023: TL 78,187,013 TL).

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3 CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents included in the statement of cash flows for the nine month period ended 30 June are comprised the followings:

	30 June 2024	30 June 2023
Cash and cash equivalents	3,179,774,205	914,142,008
Less: Blockage	(38,237,777)	(38,632,221)
Total	3,141,536,428	875,509,787

As of 30 June 2024 and 31 December 2023, maturity details of time and demand deposits of the Group are as follows:

	Time Deposits		Demand Deposits	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
USD	164,131,000	221,573,134	651,851,698	641,013,603
EUR	70,256,800	122,853,782	11,794,298	4,974,913
TL	2,183,640,000	431,456,943	58,605,237	68,529,588
	2,418,027,800	775,883,859	722,251,233	714,518,104

4 FINANCIAL LIABILITIES

As at 30 June 2024 and 31 December 2023, financial borrowings comprised the following:

	30 June 2024	31 December 2023
Short term borrowings	1,160,668,708	1,528,560,266
Short term portions of long term loans	55,247,793	57,563,238
Other financial liabilities(*)	7,819,460	1,599,210
Lease liabilities	70,986,266	9,285,435
Short term financial borrowings	1,294,722,227	1,597,008,149
Long term borrowings	71,950,708	86,495,025
Lease liabilities	131,420,136	13,984,355
Long term financial borrowings	203,370,844	100,479,380
Total financial borrowings	1,498,093,071	1,697,487,529

(*) The related amounts are composed of the financial liabilities related to the supplier financing activities,

As of June 30, 2024, the Group has no pledges or mortgages on its financial liabilities (December 31, 2023: None).

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4 FINANCIAL LIABILITIES (Continued)

The Group's loans have variable and fixed interest rates.

As of 30 June 2024 and 31 December 2023, the maturities of the Company's loan liabilities are as following:

	30 June 2024	31 December 2023
Less than one year	1,215,916,501	1,586,123,504
Between one and two years	40,656,293	39,023,386
Between two and three years	31,294,415	32,961,908
Between three and four years	--	14,509,731
	1,287,867,209	1,672,618,529

As of 30 June 2024, the details of loans are as follows:

	30 June 2024		
	Currency	TL Amount	Int, Rate %
Short Term Bank Loans	TL	1,160,668,708	23.08% - 48.50%
Short Term Portions of Long Term Bank Loans	TL	55,247,793	13.75% - 37.40%
Total		1,215,916,501	--
Long Term Bank Loans	TL	71,950,708	13.75% - 37.40%
Total		1,287,867,209	

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

	31 December 2023		
	Currency	TL Amount	Int, Rate %
Short Term Bank Loans	TL	1,528,560,266	14.44% - 32.81%
Short Term Portions of Long Term Bank Loans	TL	57,563,238	14.70% - 37.40%
Total		1,586,123,504	--
Long Term Bank Loans	TL	86,495,025	14.70% - 32.81%
Total		1,672,618,529	

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4 FINANCIAL LIABILITIES (Continued)

As at 30 June 2024 and 2023, cash flows from financial operations comprised the followings:

	1 January 2024	Cash flows	Non-cash transactions (*)	Monetary gain/loss	30 June 2024
Financial liabilities	1,672,618,529	(50,678,142)	(6,274,825)	(327,798,353)	1,287,867,209
Other financial liabilities	1,599,210	7,015,052	--	(794,802)	7,819,460
	1,674,217,739	(43,663,090)	(6,274,825)	(328,593,155)	1,295,686,669

	1 January 2023	Cash flows	Non-cash transactions (*)	Monetary gain/loss	30 June 2023
Financial liabilities	3,812,930,057	245,795,183	(515,997,379)	(614,391,495)	2,928,336,366
Other financial liabilities	102,580,718	(90,391,141)	--	(11,883,391)	306,186
	3,915,510,775	155,404,042	(515,997,379)	(626,274,886)	2,928,642,552

(*) As at 30 June non-cash transactions consist of accrued interest.

5 RELATED PARTIES

For the purpose of this consolidated report, the shareholders and key management personnel of the Company of companies, the ultimate shareholders of the Company and the companies controlled by/associated with them are referred to as related parties, Since transactions between the Group and its subsidiary, which is a related party of the Group, are eliminated during consolidation, they are not disclosed in this note, A number of transactions are entered into with the related parties in the normal course of business.

For the 30 June 2024, the executive members of the Group’s management received aggregate compensation in amount of TL 30,990,603 (30 June 2023: TL 28,959,893).

As at 30 June 2024 and 31 December 2023, due from related parties and due to related parties are as follows:

Trade receivables from related parties:

	30 June 2024	31 December 2023
BRF S.A.	57,298,726	--
BRF Global GMBH	36,106,929	26,830,838
BRF Foods GMBH	6,297,323	--
Al Wafi Food Products Factory LLC	--	13,124,435
Total	99,702,978	39,955,273

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5 RELATED PARTIES (Continued)

Due to related parties:

Other payables to related parties:

	30 June 2024	31 December 2023
TBQ Foods GMBH	249,756,737	266,586,163
BRF S.A.	10,224,864	2,645,554
Al Wafi Food Products FAC	--	575,607
BRF Global GMBH	--	2,719,922
Federal Foods Qatar	--	226,426
Total	259,981,601	272,753,672

Sales to related parties:

	30 June 2024	30 June 2023
BRF Global GMBH	304,116,168	9,144,263
Al Wafi Food Products Factory LLC	17,429,638	987,502
Federal Foods Qatar	--	960
Total	321,545,806	10,132,725

6 TRADE RECEIVABLE AND PAYABLE

Trade receivables

Trade receivables of Group as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Trade receivables from other parties	1,916,207,034	1,857,414,099
Trade receivables from related parties(Note 5)	99,702,978	39,955,273
Total	2,015,910,012	1,897,369,372

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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6 TRADE RECEIVABLE AND PAYABLE (Continued)

Details of trade receivables as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Trade receivables	1,986,180,642	1,918,500,801
Trade receivables from related parties (Note 5)	99,702,978	39,955,273
Provisions for doubtful receivables	(7,520,870)	(10,763,550)
Rediscount expense	(62,452,738)	(50,323,152)
Total	2,015,910,012	1,897,369,372

Provisions for doubtful receivables as at 1 January - 30 June 2024 and 1 January - 30 June 2023 were as follows:

	30 June 2024	30 June 2023
Beginning balance	(10,763,550)	(12,135,965)
Increase during the period	(1,390,204)	(3,414,366)
Reversal of bad debt provision	2,579,479	3,012,841
Monetary (gain)/loss	2,053,405	2,778,764
Ending Balance	(7,520,870)	(9,758,726)

The Group’s exposure to currency and credit risk and impairment for current trade receivables are disclosed in Note 20 and Note 21.

As of 30 June 2024 and 31 December 2023, the nature and amount of commitments obtained against notes and trade receivables are as follows:

	30 June 2024	31 December 2023
Letters of guarantee	737,901,325	540,722,946
Total	737,901,325	540,722,946

As at 30 June 2024 the Group does not have non-current trade receivables, (31 December 2023: None).

Trade payables

Trade payables of the Group as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Trade payables to third parties	3,990,859,248	4,213,670,264
Total	3,990,859,248	4,213,670,264

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6 TRADE RECEIVABLE AND PAYABLE (Continued)

At 30 June 2024 and 31 December 2023, short-term trade payables comprised the following:

	30 June 2024	31 December 2023
Trade payables	4,031,647,651	4,256,058,750
Less: discount income	(40,788,403)	(42,388,486)
Total	3,990,859,248	4,213,670,264

The Group’s exposure to foreign currency risks for short term trade payables are disclosed in Note 21.

As at 30 June 2024 the Group does not have non-current trade payables, (31 December 2023: None).

7 INVENTORIES

At 30 June 2024 and 31 December 2023, inventories comprised the following:

	30 June 2024	31 December 2023
Finished goods	441,418,290	314,005,187
Semi-finished goods	255,193,456	317,156,104
Raw materials and auxiliary items	716,166,462	993,250,729
Goods in transit	7,428,337	4,602,628
Provision for impairment	(24,798,013)	(37,978,203)
Total	1,395,408,532	1,591,036,445

Movements of allowance for impairment on inventories for the period ended 30 June 2024 and 2023 are as follows:

	30 June 2024	30 June 2023
Balance as at 1 January	37,978,203	42,397,822
(Reversal)/provision for the period, net	(13,180,190)	(20,421,889)
Total	24,798,013	21,975,933

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8 BIOLOGICAL ASSETS

Breeder chickens those have useful life of 1 year, broiler daily chickens, broiler turkeys and breeder pullets are classified as biological assets as of 30 June 2024 and 31 December 2023.

Movements of biological assets at 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Broiler daily chickens	857,974,442	926,805,269
Breeder chickens	388,982,074	290,424,050
Breeder pullets	190,557,982	241,793,831
Total	1,437,514,498	1,459,023,150

Movements of broiler daily chickens at 30 June 2024 and 31 June 2023 are as follows:

Broiler daily chickens	30 June 2024	30 June 2023
Beginning balance	926,805,269	1,054,201,607
Additions	1,061,302,642	1,074,190,146
Effect of physical changes (*)	6,069,890,602	6,833,960,074
Disposal	(7,200,024,071)	(7,921,059,524)
Ending balance	857,974,442	1,041,292,303

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

Movements of breeder chickens at 30 June 2024 as follows:

Breeder chickens		30 June 2024	
	Cost	Accumulated depreciation	Net carrying amount
1 January 2024	566,305,084	(275,881,034)	290,424,050
Additions	--	(434,251,044)	(434,251,044)
Transfers	532,809,068	--	532,809,068
Disposals	(455,413,754)	455,413,754	--
30 June 2024	643,700,398	(254,718,324)	388,982,074

Movements of breeder chickens at 30 June 2023 as follows:

Breeder chickens		30 June 2023	
	Cost	Accumulated depreciation	Net carrying amount
1 January 2023	619,543,370	(155,134,736)	464,408,634
Additions	--	(563,970,599)	(563,970,599)
Transfers	498,462,511	--	498,462,511
Disposals	(523,774,208)	523,774,208	--
30 June 2023	594,231,673	(195,331,127)	398,900,546

As at 30 June 2024, total insurance on biological assets is TL 5,348,168 (30 June 2023: TL 7,391,891).

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8 BIOLOGICAL ASSETS (Continued)

Movements of breeder pullets at 30 June 2024 and 30 June 2023 are as follows:

Breeder Pullet	30 June 2024	30 June 2023
Beginning balance	241,793,831	204,840,633
Additions	166,934,320	120,201,865
Effect of physical changes (*)	314,638,899	324,698,664
Transfers to breeder chickens	(532,809,068)	(498,462,511)
Ending balance	190,557,982	151,278,651

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

Movements of broiler turkey at 30 June 2024 and 30 June 2023 are as follows:

Broiler turkey	30 June 2024	30 June 2023
Beginning balance	--	38,998,804
Effect of physical changes (*)	--	45,152,496
Disposal	--	(84,151,300)
Ending balance	--	--

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

9 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

		30 June 2024		31 December 2023	
	Currency	Amount of Foreign Currency	Amount of TL	Amount of Foreign Currency	Amount of TL
A, CPM given in the name of own legal Entity	TL	--	--	--	--
B, CPM given in favor of full consolidated Subsidiaries	TL	--	737,901,325	--	540,722,946
C, CPM given to guarantee the debts of third parties to continue their operations	TL	--	--	--	--
D, Other CPM	TL	--	--	--	--
Total		--	737,901,325	--	540,722,946

All CPMs given by the Group consist of guarantees.

As at 30 June 2024, the ratio of other CPM’s given by the Group to the Group’s equity is 10.1% percent (31 December 2023: 9.8% percent).

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10 PREPAID EXPENSES

As of 30 June 2024 and 31 December 2023, prepaid expenses in current assets are as follows:

	30 June 2024	31 December 2023
Advances given to suppliers	53,201,491	65,811,369
Prepaid expenses	193,814,430	29,268,946
Advances given to breeders	79,030,771	80,323,681
Personnel advances	838,119	1,037,198
	326,884,811	176,441,194

At 30 June 2023 and 31 December 2023, non current prepaid expenses comprised the following:

	30 June 2024	31 December 2023
Advances given to suppliers	62,488	1,546,038
Advances given to fixed asset	--	16,494,528
	62,488	18,040,566

11 OTHER CURRENT ASSETS

Other Current Assets

As of 30 June 2024 and 31 December 2023, other current assets are as follows:

	30 June 2024	31 December 2023
Deferred Value Added Taxes (“VAT”)	863,894,260	988,852,310
Other	651,469	1,559,746
	864,545,729	990,412,056

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12 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 30 June 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfer	30 June 2024
Cost					
Land, Building and Land Improvements	2,085,926,457	--	(2,156)	23,590,843	2,109,515,144
Machinery, Plant and Equipment	3,084,789,407	--	(2,522,093)	15,729,792	3,097,997,106
Motor Vehicles	7,533,135	--	(671,498)	--	6,861,637
Furniture and Fixture	363,611,316	--	(3,691,084)	3,490,648	363,410,880
Construction in Progress	62,722,701	19,230,715	--	(44,600,689)	37,352,727
Leasehold Improvements	375,966,623	--	(85,768,049)	112,089	290,310,663
Total	5,980,549,639	19,230,715	(92,654,880)	(1,677,317)	5,905,448,157
Accumulated Depreciation					
Land, Building and Land Improvements	(33,522,491)	(18,356,086)	37	--	(51,878,540)
Machinery, Plant and Equipment	(247,509,876)	(126,231,403)	58,824	--	(373,682,455)
Motor Vehicles	(6,673,541)	(430,446)	613,550	--	(6,490,437)
Furniture and Fixture	(73,363,260)	(12,169,218)	1,354,988	--	(84,177,490)
Leasehold Improvements	(249,904,175)	(20,484,953)	85,641,183	--	(184,747,945)
Total	(610,973,343)	(177,672,106)	87,668,582	--	(700,976,867)
Net Book Value	5,369,576,296				5,204,471,290

As at 30 June 2024 there are no mortgage or pledge on property, plant and equipment. (30 June 2023: None)

As at 30 June 2024, property, plant and equipment are insured against the earthquake, fire, flood and similar disasters amounting to TL 4,055,112,948 (30 June 2023: TL 5,058,128,467)

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12 PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements of tangible assets at 30 June 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfer	30 June 2023
Cost					
Land, Building and Land Improvements	1,690,589,588	--	--	324,769,644	2,015,359,232
Machinery, Plant and Equipment	2,698,777,867	--	(1,147,884)	521,016,506	3,218,646,489
Motor Vehicles	7,710,843	--	--	--	7,710,843
Furniture and Fixture	215,340,782	--	(21,861)	162,996,084	378,315,005
Construction in Progress	920,554,743	276,745,100	--	(1,064,993,435)	132,306,408
Leasehold Improvements	366,000,768	--	--	10,674,150	376,674,918
Total	5,898,974,591	276,745,100	(1,169,745)	(45,537,051)	6,129,012,895
Accumulated Depreciation					
Land, Building and Land Improvements	--	(15,639,505)	--	--	(15,639,505)
Machinery, Plant and Equipment	--	(130,025,954)	5,779	--	(130,020,175)
Motor Vehicles	(5,667,689)	(550,775)	--	--	(6,218,464)
Furniture and Fixture	(59,050,336)	(9,364,059)	8,502	--	(68,405,893)
Leasehold Improvements	(189,561,100)	(33,841,363)	--	--	(223,402,463)
Total	(254,279,125)	(189,421,656)	14,281	--	(443,686,500)
Net Book Value	5,644,695,466				5,685,326,395

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13 INTAGIBLE ASSETS

Movement table of intangible assets for the year ended 30 June 2024 is as follows:

Cost	1 January 2024	Additions	Transfer	30 June 2024
Software	266,491,721	--	1,677,317	268,169,038
Licence	15,506,363	--	--	15,506,363
Total	281,998,084	--	1,677,317	283,675,401
Accumulated Amortization(-)				
Software	(165,951,980)	(34,615,989)	--	(200,567,969)
Licence	(11,078,159)	(210,603)	--	(11,288,762)
Total	(177,030,139)	(34,826,592)	--	(211,856,731)
Net Book Value	104,967,945			71,818,670

Movement table of intangible fixed assets for the year ended 30 June 2023 is as follows:

Cost	1 January 2023	Additions	Transfer	30 June 2023
Software	220,954,669	--	45,537,051	266,491,720
Licence	15,520,194	--	--	15,520,194
Total	236,474,863	--	45,537,051	282,011,914
Accumulated Amortization(-)				
Software	(95,714,766)	(35,711,692)	--	(131,426,458)
Licence	(10,660,178)	(211,063)	--	(10,871,241)
Total	(106,374,944)	(35,922,755)	--	(142,297,699)
Net Book Value	130,099,919			139,714,215

For the year ended 30 June 2024, amortization expenses for the current period are included in cost of sales, general administrative expenses, marketing expenses and research and development expenses, As of 31 December 2023, the Group has no internally created intangible assets (31 December 2023: None).

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14 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Assets held for sale

As of 30 June 2024 and 30 June 2023, details of the Group's assets held for sale are as follows:

	30 June 2024	30 June 2023
Beginning	49,625,677	159,967,866
Disposals(-)	--	(29,936,428)
Total	49,625,677	130,031,438

As a result of the Board of Directors decision dated 20 February 2018, property, plant and equipment amounting to TL 58,062,888 of the net book value were transferred to assets held for sale.

As of 30 June 2024, some of the asset groups consisting of the building, land and machinery and equipment have not been sold, As of 30 June 2024, assets held for sale continue to be accounted in assets, since there is no change in the sales plans of the Group Management and the sales are likely to occur in a short time.

b) Discontinued operations

i) Discontinuation of turkey activities

As part of the Group's efforts to increase efficiency and profitability, it has been determined that the turkey business unit does not make a significant contribution to the profitability; At the meeting of the Board of Directors dated 28 February 2024, the Group decided to terminate the turkey business operations in order to use its resources and workforce more efficiently and increase profitability, With this decision, operations related to turkey production have been classified as “Discontinued operations”.

ii) Liquidation of the subsidiary

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

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

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14 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS(Continued)

For the accounting periods ended as of 30 June 2024 and 30 June 2023, the details of the Group's profit/(loss) for the period classified as discontinued operation are as follows.

	1 January- 30 June 2024	1 January- 30 June 2023
Revenue	---	113,786,172
Cost of sales (-)	---	(130,167,274)
Gross profit	---	(16,381,102)
General administrative expenses (-)	---	(8,074,845)
Operating Profit / (Loss)	---	(24,455,947)
Expenses from investment activities (-)	---	(41,889,694)
Profit/(Loss) before tax	---	(66,345,641)
Net Profit/(Loss) for the period	---	(66,345,641)

15 EQUITY

(a) Capital

As at 30 June 2024, the paid-in capital of the Company comprises of 100,023,579 shares issued (31 December 2023: 100,023,579 shares) of TL 1 each (31 December 2023: TL 1), There are no rights provided to different shareholder groups or individuals, The shareholder structure of the Company is as follows:

	Class	30 June 2024		31 December 2023	
		Ownership Interest	Shares (%)	Ownership Interest	Shares (%)
Shareholders					
TBQ Foods GmbH	A	91,727,012	91.71%	91,727,012	91.71%
Publicly traded	A	8,296,567	8.29%	8,296,567	8.29%
Total		100,023,579	100%	100,023,579	100%

The Company acknowledged registered capital system under the provisions of Law No, 6362 and adopted the system with the permit of CMB dated 24 February 2011 numbered 6/181, The authorized capital limit is TL 8,000,000,000 and the authority to increase the capital up to the registered capital limit is given to the board of directors until 2026.

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15 EQUITY (Continued)

(b) Capital adjustment differences

As of June 30, 2024, capital adjustment differences amounting to TL 1,712,232,003 consist of capital adjustment differences arising from the adjustment of the Group's paid-in capital amount according to inflation and not offset against previous years' losses or added to the capital (31 December 2023: 1,712,232,003 TL).

(c) Defined benefit plans re-measurement losses

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

(d) Revaluation of property, plant and equipment

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

	30 June 2024	30 June 2023
Balance as at 1 January	472,508,552	190,024,441
Revaluation Reserve Transfer from Sale/Usage of Non-Current Assets	(6,507,894)	(7,861,885)
Total	466,000,658	182,162,556

(e) Change in foreign exchange differences

Foreign currency translation differences arise from the translation of the operating results and financial position of the Group's foreign subsidiaries into the Group's presentation currency TL.

(f) Hedging gains

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

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15 EQUITY (Continued)

(g) Restricted reserves

The legal reserves consist of the first and second reserves in accordance with the Turkish Commercial Code, The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company’s paid-in capital, The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company’s share capital, The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, however, they can be used to offset losses if there are no retained earnings, In 2024, the Company has no transfer to legal reserves (31 December 2023: None).

	30 June 2024	31 December 2023
First legal reserve	158,822,550	158,822,550
Second legal reserve	51,481,087	51,481,087
Total	210,303,637	210,303,637

As of June 30, 2024, the historical values and inflation adjustment effects of the following accounts under the shareholders' equity of the Company, in accordance with the financial statements prepared under the CMB and Turkish Tax Procedure Law, are as follows:

30 June 2024 (CMB)	Historical	Inflation Effect	Inflated
Paid-in share capital	100,023,579	--	100,023,579
Inflation adjustment of capital	6,348,821	1,705,883,182	1,712,232,003
Restricted reserves	15,190,838	195,112,799	210,303,637
Other reserve	5,611,290	65,758,104	71,369,394
Accumulated gains/(losses)	1,721,583,543	1,966,754,085	3,688,337,628
Total	1,848,758,071	3,933,508,170	5,782,266,241

30 June 2024 (Local book)	Historical	Inflation Effect	Inflated
Paid-in share capital	100,023,579	--	100,023,579
Inflation adjustment of capital	1,654,695	2,312,051,406	2,313,706,101
Restricted reserves	13,548,963	291,908,757	305,457,720
Accumulated gains/(losses)	697,381,036	(1,138,879,333)	(441,498,297)
Total	812,608,273	1,465,080,830	2,277,689,103

(h) Other reserves

The immovables and all Banvit shares held by Yumtaş, a subsidiary of Banvit, were transferred to the Company prior to the bankruptcy of the subsidiary, In the consolidated financial statements as of 31 December 2009, these stocks are followed as the company's own stocks at an indexed cost of TL 210,303,637 On October 25, 2010, the company sold 4,750,293 shares of Banvit in its treasury to foreign investors at a price of 5.95 TL per share as a block.

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15 EQUITY (Continued)

(i) Retained earnings

The accumulated profits other than the net profit for the period is presented in retained earnings, The extraordinary reserves which are accumulated profits are also presented in retained earnings.

	30 June 2024	31 December 2023
Accumulated profits	3,688,337,628	1,890,456,492
Total	3,688,337,628	1,890,456,492

16 REVENUE AND COST OF SALES

For the periods 1 January - 30 June 2024 and 2023, gross profit as a result of revenues and cost of sales related operating are as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Domestic sales	16,624,973,004	8,798,242,587	15,998,286,632	8,185,508,138
Export	1,646,470,739	603,671,076	1,478,843,470	766,124,139
Other sales	46,307	987	1,932,215	337,484
Gross sales	18,271,490,050	9,401,914,650	17,479,062,317	8,951,969,761
Returns and discounts (-)	(4,379,702,389)	(2,351,603,058)	(4,296,742,948)	(2,175,211,791)
Net sales	13,891,787,661	7,050,311,592	13,182,319,369	6,776,757,970
Cost of sales (-)	(10,399,030,831)	(4,976,910,961)	(11,887,064,934)	(5,561,196,977)
Gross profit	3,492,756,830	2,073,400,631	1,295,254,435	1,215,560,993

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17 INCOME TAX

Current tax expense

Total income tax benefit recognized in profit or loss for the period ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January 30 June 2023	-1 April - 30 June 2023
Current period tax expense	(860,723,033)	(509,821,244)	--	--
Deferred tax income	(7,492,148)	(53,642,622)	51,854,133	29,707,137
Tax benefit	(868,215,181)	(563,463,866)	51,854,133	29,707,137

Current tax assets and liabilities

As at 30 June 2024,31 December 2023 total current tax liability comprised the following:

	30 June 2024	31 December2023
Corporate tax provision	(813,392,352)	(483,733,295)
Prepaid taxes	269,533,831	179,483,246
Total current tax liability / (assets)	(543,858,521)	(304,250,049)

Recognized deferred tax assets and liabilities

As of 30 June 2024 and 31 December 2023, deferred tax assets and liabilities comprised of the following;

	30 June 2024 Assets / (Liabilities)	31 December 2023 Assets / (Liabilities)
Tangible and Intangible Assets	(527,499,247)	(542,010,189)
Employee Benefits Obligations	54,483,897	21,908,555
Provision for Severance Pay	201,390,467	231,522,672
Trade Receivables	33,378,034	15,438,847
Inventories	(31,210,922)	4,353,544
Trade and Other Payables	41,381,590	24,298,337
Prepaid Expenses and Biological Assets	7,079,664	(4,506,103)
Right-of-Use Assets and Lease Liabilities	(19,929,563)	(16,454,685)
Other Short-Term Provisions	63,646,364	65,316,497
Derivative Transactions	2,782,345	2,944,159
Government Grants and Assistance	68,245,379	87,304,639
Others	22,971,466	34,095,349
Deferred tax assets/(liabilities), net	(83,280,526)	(75,788,378)

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18 EARNINGS PER SHARE

Earnings per share for the 6-month period ended 30 June 2024 amounting to TL (19.1354) (30 June 2023: TL 1.9953) Earnings per share is computed by dividing the net profit for the 6-months periods ended to the weighted average of the shares during these periods.

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Profit/ (loss) for the period from continuing operations	1,913,991,445	1,191,475,140	199,578,218	(69,456,509)
Discontinued operating profit/(loss)	--	--	(66,345,641)	308,187,081
Number of weighted average of ordinary shares	100,023,579	100,023,579	100,023,579	100,023,579
Earnings per share / (loss) from continuing operations	19.1354	11.9119	1.9953	(0.6944)
Earnings per share / (loss) from discontinued operations	--	--	(0.6633)	3.0811

19 OTHER OPERATING INCOME AND EXPENSES

For the six-month period ended 30 June, other operating income comprised the following:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Foreign exchange gains	50,187,806	(13,346,770)	326,330,370	214,192,118
Rediscount income, net	310,902,445	187,459,579	49,719,406	32,945,225
Provisions no longer required	1,189,275	530,360	--	--
Scrap sales revenue	8,377,267	3,854,025	11,985,658	6,947,062
Other	729,685	(3,244,091)	31,478,350	11,165,811
Other operating income	371,386,478	175,253,103	419,513,784	265,250,216

For the six month period ended 30 June, other operating expenses comprised the following:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Foreign exchange losses	(228,130,634)	(40,019,604)	(1,178,080,817)	(941,986,262)
Provision expense for doubtful receivables	--	--	(401,527)	33,665
Other	(17,157,146)	(13,893,922)	(24,955,644)	(14,859,707)
Other operating expenses	(245,287,780)	(53,913,526)	(1,203,437,988)	(956,812,304)

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20 FINANCIAL INSTRUMENTS

Financial risk management

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

- Credit risk
- Market risk
- Operational risk

This note informs about, Group’s exposures towards risks mentioned above, Group’s goals, policies and processes for measuring and managing risks and capital management policy of the Group, Detailed descriptions and analysis mentioned in Note 21.

Financial risk management framework

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

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

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

Credit risk

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

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20 FINANCIAL INSTRUMENTS (Continued)

Market risk

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

Currency risk

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

Operational risk

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

The Group’s objective is to manage operational risk so as to avoid financial losses, in this context, the following company procedures and internal control issues have been identified:

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

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21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**Credit risk**

30 June 2024	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D+E)	99,702,978	1,916,207,034	--	171,007,645	3,140,279,033
- The part of maximum risk under guarantee with collateral	--	(737,901,325)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	99,702,978	1,709,040,681	--	171,007,645	3,140,279,033
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	207,166,353	--	--	--
Covered portion of net book value (with letter of guarantee etc.)	--	(737,901,325)	--	--	--
D. Net carrying value of financial assets which are impaired	--	--	--	--	--
- Past due (gross book value)	--	7,520,870	--	--	--
- Impairment (-)	--	(7,520,870)	--	--	--
- Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--

30 June 2024	Receivables	
	Trade receivables	Other receivables
Past due 1-30 days	207,166,353	--
Past due 1-3 months	--	--
Past due 3-12 months	--	--
More than 1-5 years	--	--

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

31 December 2023	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D)	39,955,273	1,857,414,099	--	139,999,215	1,490,401,963
- The part of maximum risk under guarantee with collateral	--	(540,722,946)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	39,955,273	1,739,811,747	--	139,999,215	1,490,401,963
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	117,602,352	--	--	--
Covered portion of net book value (with letter of guarantee etc.)	--	(540,722,946)	--	--	--
D. Net carrying value of financial assets which are impaired	--	--	--	--	--
- Past due (gross book value)	--	10,763,550	--	--	--
- Impairment (-)	--	(10,763,550)	--	--	--
- Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--

31 December 2023	Receivables	
	Trade receivables	Other receivables
Past due 1-30 days	117,602,352	--
Past due 1-3 months	--	--
Past due 3-12 months	--	--
Past due 1-5 years	--	--

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

Most of the Group's customers are among the largest retail companies in Turkey and there has not been any loss due to receivables from these customers. In order to monitor credit risks, customers are regrouped according to their credit character and customer types. Most of the accounts receivable consist of the receivables from store chains.

As of 30 June 2024, the maximum credit limit granted by the Group to the branches is TL 10,000 and each credit limit offer above TL10,000 is evaluated according to the processes determined in the Group CRM policies.

As of 30 June 2024, the Group enters its customers within the scope of the commercial credit insurance with a limit of TL 10,000-250,000 in order to secure their receivables. For the limits demanded above these limits, commercial credit insurance is applied to the processes determined in the Group's CRM policies.

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

Market risk

Currency risk

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

Assets and liabilities in foreign currencies of the Group as of 30 June 2024 and 31 December 2023 are as follows:

	30 July 2024		
	TL Equivalent	USD	EUR
1. Trade Receivables	220,097,672	4,846,239	1,736,887
2. Cash and Cash Equivalents	898,033,773	24,857,665	2,335,748
3. Other	--	--	--
4. Current Assets (1+2+3)	1,118,131,445	29,703,904	4,072,635
5. Total Assets (4)	1,118,131,445	29,703,904	4,072,635
6. Trade Payables	(1,870,912,907)	(46,365,224)	(9,836,939)
7. Financial Liabilities	--	--	--
8. Short-Term Liabilities (6+7)	(1,870,912,907)	(46,365,224)	(9,836,939)
9. Financial Liabilities	--	--	--
10. Long-Term Liabilities (9)	--	--	--
11. Total Liabilities (8+10)	(1,870,912,907)	(46,365,224)	(9,836,939)
Net (4+11)	(752,781,462)	(16,661,320)	(5,764,304)

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

	31 December 2023			
	TL Equivalent	USD	EUR	GPB
1. Trade Receivables	206,191,786	3,135,314	2,241,255	--
2. Cash and Cash Equivalents	990,415,441	23,491,169	3,146,094	--
3. Other	--	--	--	--
4. Current Assets(1+2+3)	1,196,607,227	26,626,483	5,387,349	--
5. Total Assets (4)	1,196,607,227	26,626,483	5,387,349	--
6. Trade Payables	(1,860,865,668)	(39,357,132)	(10,147,951)	(350)
7. Financial Liabilities	--	--	--	--
8. Short-Term Liabilities (6+7)	(1,860,865,668)	(39,357,132)	(10,147,951)	(350)
9. Financial Liabilities	--	--	--	--
10. Long-Term Liabilities (9)	--	--	--	--
11. Total Liabilities (8+10)	(1,860,865,668)	(39,357,132)	(10,147,951)	(350)
Net (4+11)	(664,258,441)	(12,730,649)	(4,760,602)	(350)

**Exchange Rate Sensitivity Analysis
30 June 2024**

	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation / depreciation of USD against TL				
1-USD net asset/liability	(54,791,251)	54,791,251	---	---
2-Portion of hedged for USD (-)	--	--	---	---
3-Net effect of USD (1+2)	(54,791,251)	54,791,251	---	---
10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(20,249,078)	20,249,078	---	---
5- Portion of hedged for EUR (-)	--	--	---	---
6- Net effect of EUR (4+5)	(20,249,078)	20,249,078	---	---
10% appreciation / depreciation of other currencies against TL				
7- Other currencies net asset/liability	--	--	--	--
8- Portion of hedged for other currencies (-)	--	--	--	--
9- Net effect of other currencies (7+8)	--	--	--	--
Total (3+6+9)	(75,040,329)	75,040,329	--	--

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

Exchange Rate Sensitivity Analysis				
31 December 2023				
	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation / depreciation of USD against TL				
1-USD net asset/liability	(41,865,121)	41,865,121	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(41,865,121)	41,865,121	--	--
10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(16,723,233)	16,723,233	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(16,723,233)	16,723,233	--	--
10% appreciation / depreciation of other currencies against TL				
7- Other currencies net asset/liability	(1,450)	1,450	--	--
8- Portion of hedged for other currencies (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(1,450)	1,450	--	--
Total (3+6+9)	(58,589,804)	58,589,804	--	--

Interest rate risk

Interest rate profile of the Group’s interest-bearing financial instruments as reported to the management of the Group is as follows:

	30 June 2024	31 December 2023
Fixed rate instruments		
Financial asset	1,916,207,034	1,857,414,099
Financial liabilities	1,498,093,071	1,697,487,529

22 SUBSEQUENT EVENTS

The liquidation process of Nutrinvestments B.V., a wholly-owned subsidiary of the Group based in the Netherlands, which was announced to be liquidated in the disclosure dated 31 March 2023, has been completed, and the company was deregistered from the trade registry in the Netherlands as of 19. July 2024.

23 STATEMENT OF CASH FLOW DISCLOSURES

As at 30 June 2024, net cash provided from operating activities of the Group is TL 3,070,973,434 (30 June 2023: TL (1,637,105,322), net cash used in investing activities is TL (941,817,800) (30 June 2023: TL (966,138.002)- net cash provided from financing activities is TL 67,198,192 (30 June 2023: TL (565,227,117)).

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24 STATEMENTS OF CHANGES IN EQUITY DISCLOSURES

The equity of the Group consist the equity Parent company in amount of TL 7,398,485,693 as of 30 June 2024 (30 June2023: TL (5,054,803,972)).

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