

**BANVİT BANDIRMA VİTAMİNLİ
YEM SANAYİ ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO
ENGLISH OF FINANCIAL STATEMENTS AS
AT AND FOR THE YEAR ENDED
31 DECEMBER 2024 WITH INDEPENDENT
AUDITOR'S REPORT
(Originally Issued In Turkish)**

INDEPENDENT AUDITOR'S REPORT

**To the General Assembly of Directors of
Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi**

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Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi (the “Company”), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards which are part of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) and adopted within the framework of the Capital Markets Board of Turkey (“CMB”). Our responsibilities under those standards are further described in the “*Auditor's Responsibilities for the Audit of the Financial Statements*” section of our report. We are independent of the Company in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) issued by POA and the ethical requirements in CMB legislation that are relevant to audit of financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Revenue Recognition	
<p>The Company's revenue is primarily generated from the sale of produced breeding eggs, one-day-old chicks, live turkeys, live chickens, processed turkeys and processed chickens.</p> <p>The Company recognizes revenue in the financial statements at the point in time when it transfers control of the good to the customer.</p> <p>Revenue recognition has been identified as a key audit matter, as revenue is one of the most important key performance indicators of the Company and, due to its structure, it includes the risk of not being recognized in the relevant period.</p>	<p>The following audit procedures were performed:</p> <p>The samples selected from contracts made with customers and evaluated the appropriateness of the revenue recognition policy applied by the management of the Company in respect of the compliance with TFRS have been checked and reviewed.</p> <p>The revenue process of the Company was analyzed, and the effectiveness of the design, implementation, and operation of controls in the revenue process was tested.</p> <p>Testing the transfer of controls of the products of which sales documents and other supporting documents regarding the delivery of the goods have been completed through substantive procedures which includes samplings.</p> <p>Sending confirmation letters to the counter parties in order to test the existence and accuracy of the outstanding balances of customers.</p> <p>Evaluating the journal entries related to revenue that the Company has accounted for during the year.</p> <p>Test of details has been performed for subsequent period sales returns to test whether revenue has been appropriately and accurately recognized in the reporting period.</p>

The key audit matter	How the matter was addressed in our audit
<p data-bbox="209 293 767 336">Application of Inflation Accounting</p> <p data-bbox="209 336 767 593">As explained in Note 2.1, due to the Company's functional currency (Turkish Lira) being classified as the currency of a highly inflationary economy as of December 31, 2024, the Company continues to apply the 'TAS 29 Financial Reporting in Hyperinflationary Economies' standard</p> <p data-bbox="209 593 767 851">In accordance with TAS 29, the financial statements and corresponding figures have been restated to reflect changes in the general purchasing power of the Turkish Lira, and as a result, are expressed in terms of the purchasing power of the Turkish Lira as of the reporting date.</p> <p data-bbox="209 851 767 1041">In compliance with the guidelines of TAS 29, the Company has utilized Turkiye's consumer price indices to prepare inflation-adjusted financial statements. The principles applied for inflation adjustment are disclosed in note 2.</p> <p data-bbox="209 1041 767 1178">Considering the significant impact of TAS 29 on the Company's reported results and financial position, inflation accounting has been evaluated as a key audit matter.</p>	<p data-bbox="767 293 1422 336">How the matter was addressed in our audit</p> <p data-bbox="767 336 1422 380">The following audit procedures were performed:</p> <p data-bbox="767 380 1422 571">The principles taken into consideration during the application of TAS 29, were discussed with the Company management, and monetary and non-monetary financial statement line items were identified.</p> <p data-bbox="767 571 1422 716">To ensure the completeness and accuracy of the acquisition / purchase and sale dates, to be used as the basis for indexing of non-monetary items, have been tested.</p> <p data-bbox="767 716 1422 828">Restated the financial statements in accordance with TAS 29 and the relevant explanations in note 2 were reviewed.</p>

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements Responsibilities of auditors in an audit are as follows:

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing issued by the CMB and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the standards on auditing issued by the CMB and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Other Legal and Regulatory Requirements

- 1) In accordance with the fourth paragraph of Article 398 of Turkish Commercial Code (“TCC”) no. 6102; the Independent Auditor’s Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 26 February 2025.
- 2) In accordance with the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company’s bookkeeping activities and financial statements for the period between 1 January – 31 December 2024, are not in compliance with laws and provisions of the Company’s articles of association in relation to financial reporting.
- 3) In accordance with the fourth paragraph of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of the audit.

The name of the engagement partner who supervised and concluded this audit is Aykut Halit.

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International



Istanbul, 26.02.2025

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

FINANCIAL POSITION AS AT 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

	Note	Audited	
		31 December 2024	31 December 2023
ASSETS			
Current Assets			
Cash and cash equivalents	3	5,298,838,800	1,817,196,016
Trade receivables		2,327,220,130	2,196,181,998
- <i>Related parties</i>	5	144,316,145	46,247,743
- <i>Other parties</i>	6	2,182,903,985	2,149,934,255
Other receivables	7	163,280,872	161,499,687
- <i>Other parties</i>		163,280,872	161,499,687
Inventories	8	1,686,289,693	1,841,605,357
Biological assets	9	1,638,051,492	1,688,801,572
Prepaid expense	10	239,305,977	204,228,539
Current tax assets	32	--	207,749,676
Other current assets	21	1,294,783,947	1,146,389,922
Subtotal		12,647,770,911	9,263,652,767
Assets held for sale	22	--	57,441,117
Total Current Assets		12,647,770,911	9,321,093,884
Non-Current Assets			
Other receivables	7	809,509	547,704
- <i>Other parties</i>		809,509	547,704
Property, plant and equipment	13	5,870,536,296	6,215,219,333
Right of use assets	15	247,450,824	103,118,890
Intangible assets	14	42,669,933	121,499,121
Prepaid expenses	10	271,212	20,881,736
Total Non-current Assets		6,161,737,774	6,461,266,784
Total Assets		18,809,508,685	15,782,360,668

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

FINANCIAL POSITION AS AT 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

	Note	Audited	
		31 December 2024	31 December 2023
LIABILITIES			
Short-term Liabilities			
Short-term borrowings	4	1,798,897,896	1,769,289,939
Short-term lease liabilities	4	71,511,808	10,747,778
Short-term portions of long-term borrowings	4	49,521,578	66,628,748
Other financial liabilities	4	61,358,036	1,851,066
Trade payables		4,658,668,871	4,877,272,143
-Related parties	5	295,286,033	--
-Other parties	6	4,363,382,838	4,877,272,143
Liabilities related to the employee benefits	20	236,337,966	209,621,192
Derivative Instruments		--	13,631,314
Other payables		123,868,514	320,118,276
-Related parties	5	18,659,696	315,709,062
-Other parties	7	105,208,818	4,409,214
Deferred revenue	11	296,130,693	88,139,495
Current tax liabilities	32	168,323,816	559,915,413
Short-term provisions		301,978,933	233,484,520
-Provisions related to the employee benefits	19	272,696,005	204,314,929
-Other	18	29,282,928	29,169,591
Other short-term liabilities		--	848,206
Total Short-term Liabilities		7,766,598,111	8,151,548,090
Long-term Liabilities			
Long-term borrowings	4	54,046,012	100,116,941
Long-term lease liabilities	4	95,639,784	16,186,721
Deffered revenue		9,884,259	--
Long-term provisions		601,753,919	1,071,938,723
-Provisions related to the employee benefits	19	601,753,919	1,071,938,723
Deferred tax liability	32	277,450,167	87,724,127
Total Long-term Liabilities		1,038,774,141	1,275,966,512
Total Liabilities		8,805,372,252	9,427,514,602
EQUITY			
Paid-in share capital	23	100,023,579	100,023,579
Inflation adjustment of capital	23	1,997,640,242	1,997,640,242
Accumulated other comprehensive expense that will not be reclassified through profit or loss		(292,108,685)	(517,443,475)
- Remeasurement of the defined benefit plans		(827,235,123)	(1,064,366,384)
- Fixed assets revaluation	23	535,126,438	546,922,909
Accumulated other comprehensive expense that may be reclassified through profit or loss		--	885,975,965
- Translation differences	23	--	885,975,965
- Hedging gains	23	--	--
Restricted reserves	23	243,423,905	243,423,905
Other reserves	23	82,609,206	82,609,206
Retain Earnings	23	4,273,469,659	2,188,180,423
Profit for the period		3,599,078,527	1,374,436,221
Total Equity		10,004,136,433	6,354,846,066
Total Equity and Liabilities		18,809,508,685	15,782,360,668

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT DECEMBER 2024

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

	Note	Audited	
		1 January - 31 December 2024	1 January - 31 December 2023
Revenue	24	31,533,780,551	30,788,565,934
Cost of Sales (-)	24	(24,143,605,794)	(27,135,626,509)
Gross Profit from Business Operations		7,390,174,757	3,652,939,425
General administrative expenses (-)	25	(1,112,736,634)	(668,434,836)
Selling, marketing and distribution expenses (-)	25	(1,884,904,318)	(1,721,933,794)
Research and development expenses (-)		(886,175)	(615,921)
Other income from operating activities	27	942,625,257	1,496,810,505
Other expenses from operating activities (-)	27	(563,942,630)	(2,287,649,930)
(Loss)/Profit From Operating Activities		4,770,330,257	471,115,449
Income from investing activities	28	1,355,313	138,849,980
Loss from investing activities (-)		--	--
(Loss)/Profit From Operating Activities Before Financial Expense		4,771,685,570	609,965,429
Finance income	29	1,120,896,332	271,928,046
Finance expenses (-)	29	(1,361,848,148)	(1,739,476,980)
Monetary gain/loss (-)	30	615,559,127	2,891,170,621
(Loss)/Profit Before Tax from Continuing Operations		5,146,292,881	2,033,587,116
(Loss)/Profit Before Tax from Discontinued Operations	22	--	(71,255,622)
Tax (Expense)/Income			
- Current tax income/(expense)	32	(1,436,532,068)	(608,831,761)
- Deferred tax income	32	(110,682,286)	20,936,488
(Loss)/Profit For the Period		3,599,078,527	1,374,436,221
Parent company		3,599,078,527	1,374,436,221
(Loss)/Earnings per share	33		
Earnings per share from continuing operations		35,9823	14.4535
Diluted earnings per share from continuing operations	33	35,9823	14.4535
Earnings/(loss) per share from discontinued operations	33	--	(0.7124)
Diluted earnings/(loss) per share from discontinued operations		--	(0.7124)
OTHER COMPREHENSIVE INCOME			--
That will not be reclassified through profit or loss		237,131,261	(290,977,690)
- Defined benefit plans remeasurement losses	19	316,175,015	(844,375,057)
- Deferred tax income/(expense)		(79,043,754)	211,093,765
- Property, plant and equipment revaluation increases/(decreases), net		--	--
- Deferred tax effect of property, plant and equipment value increases/(decreases)		--	342,303,602
That may be reclassified through profit or loss		--	(368,877,449)
- Cash flow hedge gains/(losses)		--	36,193,960
- Deferred tax income/(expense)		--	(9,048,490)
- Translation reserve	31	--	(396,022,919)
Total Other Comprehensive Gain / (Loss)		237,131,261	(659,855,139)
Total Comprehensive Income		3,836,209,788	714,581,082

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 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		Total equity	
	Paid-in capital	Capital adjustment differences	Remeasurement of the defined benefit plans	Revaluation funds	Change in foreign exchange differences	Hedging gains/losses	Other reserves	Restricted profit reserves	Retained earnings		Net profit for the period
Balance as at 1 January 2024	100,023,579	1,997,640,242	(1,064,366,384)	546,922,909	885,975,965	--	82,609,206	243,423,905	2,188,180,423	1,374,436,221	6,354,846,066
Transfers	--	--	--	(11,796,471)	(699,056,544)	--	--	--	2,085,289,236	(1,374,436,221)	--
Subsidiary sales impact (*)	--	--	--	--	(186,919,421)	--	--	--	--	--	(186,919,421)
Total comprehensive income	--	--	237,131,261	--	--	--	--	--	--	3,599,078,527	3,836,209,788
Balance as at 31 December 2024	100,023,579	1,997,640,242	(827,235,123)	535,126,438	--	--	82,609,206	243,423,905	4,273,469,659	3,599,078,527	10,004,136,433
Balance as at 1 January 2023	100,023,579	1,997,640,242	(431,085,092)	219,950,983	1,419,044,822	(27,145,470)	82,609,206	243,423,905	3,591,612,974	(1,418,764,227)	5,777,310,922
Transfers	--	--	--	(15,331,676)	--	--	--	--	(1,403,432,551)	1,418,764,227	--
Subsidiary sales impact (*)	--	--	--	--	(137,045,938)	--	--	--	--	--	(137,045,938)
Total comprehensive income	--	--	(633,281,292)	342,303,602	(396,022,919)	27,145,470	--	--	--	1,374,436,221	714,581,082
Balance as at 31 December 2023	100,023,579	1,997,640,242	(1,064,366,384)	546,922,909	885,975,965	--	82,609,206	243,423,905	2,188,180,423	1,374,436,221	6,354,846,066

(*) Note 22.

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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

	Note	Audited 1 January - 31 December 2024	1 January - 31 December 2023
CASH FLOWS ARISING FROM OPERATING ACTIVITIES			
(Loss)/Profit for the Period		3,599,078,527	1,374,436,221
(Loss)/Profit for the Period from Continuing Operations		3,599,078,527	1,445,691,843
(Loss)/Profit for the Period from Discontinued Operations		--	(71,255,622)
Adjustments Regarding Net (Loss)/Profit Reconciliation for the Period:		2,847,032,905	2,000,521,863
Adjustment of Depreciation and Amortization	26	1,674,853,669	1,826,383,489
Adjustment of Decrease in Value of Trade Receivables.net	6	(3,439,666)	934,092
Adjustments for Fair Value (Gains)/Losses of Derivative Financial Instruments		(10,837,012)	14,613,143
Adjustment of Decrease (Reversal) in Value in Inventories	8	(13,852,443)	(5,115,652)
Adjustment of Provisions for Employee Benefits	19	615,843,063	444,253,214
Adjustments Regarding Provisions	18	10,421,562	(7,330,045)
Adjustments Regarding Tax (Income)/Expense	32	1,547,214,354	587,895,273
Adjustment for Impairment of Asset Held for Sale	22	--	(138,849,980)
Interest Paid	29	781,129,584	878,287,492
Interest Income	29	(1,021,766,746)	(217,937,434)
Effect of Inflation		(732,533,460)	(1,382,611,729)
Changes in Working Capital		197,177,277	996,326,978
Change in Trade Receivables		(925,254,775)	(322,517,515)
Change in Inventories		169,168,107	708,273,496
Change in Trade Payables		1,426,206,807	(689,829,122)
Change in Employee Benefits		104,623,662	44,665,356
Change in Government Grants		--	73,483,405
Change in Other Assets Regarding Operating Activities		(745,641,704)	856,529,725
Change in Other Liabilities Regarding Operating Activities		168,075,180	325,721,633
Net Cash Provided from Operating Activities		6,643,288,709	4,371,285,062
Taxes Paid	32	(1,479,226,369)	(60,953,013)
Payments Made within The Scope of Provisions for Employment Benefits	19	(310,586,374)	(351,419,727)
Net Cash Provided From Operating Activities		4,853,475,966	3,958,912,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets		70,578,623	206,117,379
Acquisition of Property, Plant and Equipment and Intangible Assets	13,14	(67,784,232)	(396,842,754)
Proceeds from Assets Held for Sale		--	266,569,722
Cash Advances and Payables Given		20,610,524	211,736,396
Proceeds from Sale of Biological Assets	9	16,266,068,809	18,479,824,188
Acquisition and Physical Change on Biological Assets	9	(17,262,984,512)	(19,374,359,716)
Net Cash Flows (Used in) Investing Activities		(973,510,788)	(606,954,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	4	2,347,299,486	2,294,995,934
Repayment of borrowings	4	(1,827,330,967)	(3,340,524,356)
Repayment of lease liabilities		(122,913,468)	(46,616,203)
Proceeds from other financial liabilities	4	68,956,595	(116,884,865)
Interest Income		1,021,766,746	217,937,434
Interest paid		(621,471,868)	(744,223,193)
Cash Flows Provided From Financing Activities		866,306,524	(1,735,315,249)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF TRANSLATION DIFFERENCE		4,746,271,702	1,616,642,288
EFFECT OF TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENTS		(186,919,421)	(533,068,858)
NET INCREASE OF CASH AND CASH EQUIVALENTS		4,559,352,281	1,083,573,430
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,726,695,500	1,176,063,554
EFFECTS OF INFLATION ON CASH		(1,040,292,651)	(532,941,484)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	5,245,755,130	1,726,695,500

The accompanying notes are an integral part of these financial statement.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

1 ORGANISATION AND OPERATION OF THE COMPANY

Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi (“the Company” or “Banvit”) was established in 1968 in Bandırma, Turkey. 8.29% of Banvit's shares (December 31, 2023: 8.29%) are publicly traded on Borsa İstanbul Anonim Şirketi (“ISE”)

The Company's principal activities include the production, processing, sales, and marketing of feed, breeder eggs, day-old broiler chicks, live broilers, broiler meat, and further processed products.

As of December 31, 2024 and December 31, 2023 the shareholders and shareholding structure of the Company are as follows:

	31 December 2024	31 December 2023
TBQ Foods GMBH	91.71%	91.71%
Other (Publicly Traded Portion)	8.29%	8.29%
Total	100%	100%

The countries of incorporation, main fields of activity, and related shareholding rates of the subsidiaries included in the scope of consolidation as of December 31, 2023, are presented below. The financial statements have been presented on a non-consolidated basis, with the liquidation processes of all subsidiaries completed by December 31, 2024.

	Country of Subsidiary	Field of Subsidiary	Participation Rate	
			31 December 2024	31 December 2023
Nutrinvestments B.V. (*)	Holland	Holding Company	--	100%
Banvit Enerji ve Elektrik Üretim Anonim Şirketi (“Banvit Enerji”) (**)	Turkey	Energy production	--	100%
Banvit ME FZE (***)	United Arab Emirates	Marketing and sales	--	--

(*) Banvit's 100% subsidiary, Nutrinvestment B.V., was decided to be liquidated as of March 31, 2023, and the liquidation process was completed as of July 19, 2024.

(**) Banvit's 100% subsidiary, Banvit Enerji ve Elektrik Üretim A.Ş., was decided to be liquidated as of April 4, 2024, and the liquidation process was completed as of September 9, 2024.

(***) Banvit ME FZE, a 100% subsidiary of Nutrinvestment B.V., was liquidated as of March 21, 2023.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

1 ORGANISATION AND OPERATION OF THE COMPANY (Continued)

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

	31 December 2024	31 December 2023
Blue collar	4,464	4,174
White collar	670	642
Total employees	5,134	4,816

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

Ömerli Mahallesi, Ömerli Sokak, No: 208

10202 Bandırma - Balıkesir / Turkey

Website: <http://www.banvit.com/>

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Declaration of compliance with TAS

Banvit and its subsidiary operating in Turkey maintain their accounting records and statutory financial statements in Turkish Lira (TL) in accordance with the prevailing commercial and financial regulations.

The accompanying condensed financial statements have been prepared in accordance with the provisions of the Capital Markets Board of Turkey (“CMB”) Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets, published in the Official Gazette No. 28676 dated June 13, 2013. In accordance with Article 5 of the Communiqué, Turkish Financial Reporting Standards (“TFRS”), as promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”), along with additional standards and interpretations, have been applied. TFRS is updated through communiqués to ensure compliance with amendments in International Financial Reporting Standards.

The financial statements have been presented in accordance with the formats specified in the Announcement on TFRS Taxonomy published by POA on July 3, 2024, and the Financial Statement Examples and User Guide issued by CMB.

The Company's financial statements for the period ended December 31, 2024, were approved for issuance by the Board of Directors on February 26, 2025. The General Assembly and relevant regulatory authorities retain the right to amend the statutory financial statements and interim condensed financial statements prepared in accordance with TFRS in line with applicable regulations.

Functional and Presentation Currency

These financial statements have been presented in Turkish Lira (“TL”), which is the functional currency of the Company. Unless otherwise stated, all financial information presented in TL is expressed in TL.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Adjustment of financial statements in hyperinflationary periods

Company prepared its financial statements as at and for the year ended December 31, 2024, by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2024, and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies." The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has presented its financial statements as of December 31, 2023, on the purchasing power basis as of December 31, 2024.

In accordance with the CMB's decision dated December 28, 2024 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, 2024.

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 31, 2024, the indexes and adjustment factors used in the restatement of the financial statements are as follows:

Dates	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
31 December 2024	2,684.55	1.00	291%
31 December 2023	1,859.38	1.44	268%
31 December 2022	1,128.45	2.38	156%

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

- The company 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.
- 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.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

- 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 Company's net monetary asset position in the current period is recognized in the 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 that are measured based on historical cost in a foreign currency are not translated.

The closing exchange rates for the year ended are as follows:

	31 December 2024		31 December 2023	
	Period End	Average	Period End	Average
Euro (“EUR”)/TL	36.7362	35.4893	32.5739	25.7198
United States Dollars (“USD”)/TL	35.2803	32.7984	29.4382	23.7776

Going Concern

The Company has prepared its financial statements in accordance with the going concern principle.

Comparative Information and Restatement of Financial Statements for the Previous Period

In order to identify trends in financial position and performance, the Company's financial statements are prepared on a comparative basis with the previous period. When necessary to ensure consistency with the presentation of current period financial statements, comparative information is reclassified, and significant differences are disclosed.

2.2 Significant accounting estimates and assumptions

The preparation of the company financial statements require Company 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.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the company 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 Company. As these plans are long term plans, the said assumptions include significant ambiguities. Actuarial gains or losses are stated in company other comprehensive income.

b) Trade receivable

Provision for doubtful receivables is an estimated amount that Company 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 Company’s assets are determined by Company Management at acquisition date of asset and they are revised regularly. Company determines the useful lifetime of an asset by considering the assets’ approximate benefit. This assessment based on the experience of used similar assets. The Company 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.

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 Company management, the land and plots, buildings and surface improvements, as well as machinery, facilities, and equipment are reflected in the financial statements at their fair values determined in the valuation studies carried out by an independent professional valuation company authorized by the CMB as of December 31, 2022, adjusted to the purchasing power as of December 31, 2024.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

Details of the methods and assumptions used within the scope of the valuation studies performed are as follows.

- In fair value calculations, the most effective and efficient use assessment was conducted, and the current usage purposes were determined as the most effective and efficient use. The peer comparison method was applied for land and plots, while the cost approach method was used to determine the value of real estate by adding the investment costs on the land to the land value after depreciation (subtracting depreciation after adding any interest or gain). Additionally, in the cost approach method, the land value calculation was also carried out using the peer comparison method described above.
- In the peer comparison method, existing market data was utilized. Considering similar real estate properties recently listed on the market, price adjustments were made based on criteria that could impact market value, and the average price per square meter for the plots covered in the report was determined. The selected comparable properties were evaluated based on factors such as location, size, zoning status, and physical characteristics. Additionally, real estate marketing firms were consulted for an up-to-date assessment of the market, and the expertise of an independent professional valuation company was leveraged. The cost approach method was used for the valuation of machinery, facilities, and equipment. Since the valuation was conducted as a comprehensive integrated industrial plant appraisal, the valuation of machinery, facilities, and equipment was based on active and operational values within the integrated plant, considering market data to the extent applicable. The relevant machinery, facilities, and equipment were examined on a line-by-line basis.

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

e) Deferred tax asset

Deferred tax liability and asset estimation is a part of the financial statement preparation process, requiring the Company to estimate income tax for each country in which it operates. This process involves assessing current tax expenses, evaluating temporary timing differences arising from deferred income and adjustments made for reporting purposes, and estimating deferred tax assets or liabilities. The Company management recognizes deferred tax assets when it is probable that they can be recovered or deducted from future taxable income. Deferred tax assets are recognized in cases where it is likely that tax benefits will be realized in future periods. Therefore, the recognition of deferred tax assets depends on the estimation of the Company's financial performance in future periods.

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.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

g) *Litigation Provision*

When recognizing litigation provisions, the probability of losing the relevant lawsuits and the potential consequences in case of an unfavorable outcome are assessed based on the opinions of the Company's legal counsel. The Company's management makes its best estimates using the available data and allocates provisions as deemed necessary. In the event of any dispute with tax authorities, the calculation of tax expenses for items where the tax assessment method cannot be fully determined requires estimations and evaluations until a decision is received from the relevant authorities or the legal process is concluded.

2.2.1 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 and assumptions regarding the carrying amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual amounts may differ from the estimates. These estimates are reviewed periodically and reported in the statement of profit or loss in the periods in which they become known.

2.3 Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents in the 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.

Biological Assets

Biological assets are measured at fair value less costs to sell, with any changes in fair value recognized in profit or loss. If fair value cannot be reliably determined, they are measured at cost less accumulated depreciation and accumulated impairment losses.

Breeding chickens, laying hens, and broiler chickens are classified under biological assets in the financial statements. Laying hens and breeding chickens are amortized based on their economic life according to their laying periods. Since these biological assets do not have an active market, they are reflected in the financial statements at cost, less accumulated depreciation and impairment losses, if any.

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(All amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Broiler chickens are recorded at production cost following the end of their useful life and slaughter periods. The Company’s biological assets do not have quoted market prices, and the Company has explicitly determined that alternative fair value measurements would not be reliable.

Therefore, biological assets are measured at cost, less any accumulated depreciation and accumulated impairment losses. The Company’s management determines the useful lives of biological assets by calculating the potential number of eggs they can lay under normal conditions.

Related parties

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

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Company that gives it significant influence over the Company; or
 - iii) has joint control over the Company;
- b) The party is an associate of the Company;
- c) The party is a joint venture in which the Company is a venture;
- d) The party is member of the key management personnel of the Company 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, the entity, or an entity related to the entity having post-employment benefit plans for the employees.

The party has a post-employment benefit plan for the benefit of employees of the Company, or of an entity that is a related party of the Company.

Tangible assets

All tangible assets are initially recognized at cost. Land, buildings and machinery-equipment are stated at fair value less depreciation after the fair value of land and buildings is determined by appraisal undertaken by professionally qualified valuation specialists. All other tangible assets are stated at cost less accumulated depreciation and provision for impairment, if any. When a tangible asset is sold, income after deduction of relevant cost and accumulated depreciation is stated in the statement of income and profit or loss. When a revalued asset is sold, the relevant revaluation funds are transferred to retained earnings.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The cost of a tangible asset includes the purchase price, import duties and non-refundable purchase taxes, and the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. Expenses incurred after the asset is started to be used, i.e., maintenance and repair expenditures are recognized in profit or loss in the period in which they are incurred. If the expenditures made increase an asset's economic usefulness in the future, they are added to the cost of the asset.

The increase in the carrying value of the tangible assets arising from revaluation are initially credited after deduction of deferred tax effect to the tangible assets value increase fund account under equity. The accumulated depreciation corresponding to the revaluation fund of the tangible assets accounted for by revaluation method is recognized as an expense in the relevant period.

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

Buildings	15 - 50 years
Land Improvements	15 - 25 years
Plant, machinery and equipment	2 - 15 years
Motor vehicles	4 - 5 years
Furniture and fixtures	3 - 15 years
Leasehold improvements	5 - 15 years

Intangible assets

Intangible assets have finite useful lives and mainly comprise rights and IT software. These assets are carried at cost less accumulated amortization and impairment losses, if any. These assets are amortized on a straight-line basis over an average period of five years from the date of acquisition. Repair and maintenance costs of computer software programs are expensed as incurred.

Gains or losses on disposals of intangible assets or impairment losses on the indexed values of such assets are recognized in the related income and expense accounts. The scrap value of intangible assets is estimated to be not material. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Leases

At the inception date of the contract, the Company 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 Company uses the definition of a lease in TFRS 16.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date or when there is a modification in a contract that includes a lease component, the Company allocates the consideration in the contract to each lease component based on its relative stand-alone price and the aggregate stand-alone price of non-lease components.

The Company has elected not to separate non-lease components from lease components but instead accounts for each lease component and the associated non-lease components as a single lease component.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

As a lessee (Continued)

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability in its financial statements. The cost of the right-of-use asset consists of the initial measurement of the lease liability, lease payments made before or at the commencement date less any lease incentives received, any initial direct costs incurred, and estimated costs to dismantle, remove, or restore the underlying asset or the site where it is located.

If the lease transfers ownership of the underlying asset to the lessee at 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, it is depreciated over the shorter of the asset’s useful life or the lease term. Additionally, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

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 the total amount of current and deferred tax. Income tax is recognized in profit or loss, except when it relates to business combinations or items recognized directly in equity or other comprehensive income.

Current tax

In Turkey, the corporate tax rate is 25% as of December 31, 2024 (December 31, 2023: 25%). Corporate tax is calculated based on taxable profit after adjusting for non-deductible expenses and applying exemptions and deductions specified in tax laws.

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS/IFRS purposes issued by POA and its statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TAS/IFRS and tax purposes.

Government grants

All government grants including the nonmonetary incentives that are carried at fair value are recognized in the financial statements provided that the Company fulfils the necessary requirements to receive such incentives.

The government grants related assets, recognized in financial statements as deferred income. In case of that government incentives are presented as deferred income, they are systematically and reasonably associated with in the profit or loss and other comprehensive income statement throughout the useful life of the asset.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Government assistance that is provided in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability are recognized as the deferred tax income.

Assets held for sale

Non-current assets, or disposal Companys 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 Companys, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal Company 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, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company'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 recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Discontinued operations are significant parts of the Company that have been disposed of and whose activities and cash flows can be separated from those of the Company as a whole. The results of operations until the date on which the Company ceases to have control over the disposal Company are presented in the statement of profit or loss in a separate line under the heading "discontinued operations". The statement of profit or loss for the prior period is restated on a comparative basis and the results of discontinued operations for the prior period are also classified as "discontinued operations".

Net profit/loss for the period from discontinued operations is presented in a separate line in the income statement as net profit/loss from discontinued operations.

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 financial statements. All actuarial gains and losses are accounted for as other comprehensive income.

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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 Company Management.

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 company financial statements.

Impairment on non financial assets

The Company 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 Companying together assets with similar risk characteristics.

In assessing collective impairment, the Company 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 Company 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 Company recognizes revenue in accordance with EFRS 15 "Revenue from contracts with customers" standard when the goods or services is transferred to the customer and when performance obligation is fulfilled based on the following main 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

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Company 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 Company 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.
- Company can identify each party's rights regarding the goods or services to be transferred.
- Company can identify the payment terms for the goods or services to be transferred:
- The contract has commercial substance.
- It is probable that Company 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 Company 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 Company 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 a sales transaction in order to provide goods or services to the customer, the Company determines that the nature of its commitment is performed as a principal or agent by the Company. It is principal if the Company 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 company 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 Company 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 financial statements.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company 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 income from operating activities in current period.

The Company's performance obligations consist of the sale of consumer products that it produces. The customer consumes the benefit obtained by the Company from the performance simultaneously. The sales transaction is recognized at the time of delivery of the manufactured products. The Company 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.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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 Company’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 Company’s right to receive payment is established.

Foreign currency

The income and expenses of foreign operations are translated into TL at the exchange rates at the dates of the transactions. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate their carrying values.

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/(loss) per share

Earnings/(loss) per share is calculated by dividing the net 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 implementation of TFRS 9, the "Expected Credit Loss" (ECL) model has replaced the "Incurred Loss" model under TMS 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 does not apply to investments in equity instruments. Under TFRS 9, credit losses are recognized earlier compared to TMS 39. Financial assets measured at amortized cost consist of trade receivables and cash and cash equivalents.

Financial assets measured at amortized cost consist of trade receivables and cash and cash equivalents.

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

- 12-month Expected Credit Loss (ECL): Represents the portion of expected credit losses resulting from possible default events related to the financial instrument that may occur within the 12 months following the reporting date.
- Lifetime ECL: Represents the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

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

- Debt instruments determined to have low credit risk at the reporting date, and
- Other debt instruments and bank balances where the credit risk (i.e., the default risk over the expected life of the financial instrument) has not significantly increased since initial recognition.

The Company has elected to measure impairment for trade receivables and contract assets using the lifetime ECL approach.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Impairment of financial assets (Continued)

To determine whether the credit risk of a financial asset has significantly increased since initial recognition and to estimate ECLs, the Company considers reasonable and supportable information that can be obtained without excessive cost or effort, including the effects of expected early repayments.

This information includes:

- The Company’s historical credit loss experience,
- Forward-looking information, and
- Quantitative and qualitative analyses.

The Company considers a financial asset to be in default in the following cases:

- The borrower fails to fully meet its credit obligation without the Company resorting to actions such as enforcing collateral (if applicable).

To determine whether a financial instrument has low credit risk, the Company may use internal credit risk ratings or other methodologies aligned with a globally accepted definition of low credit risk, considering the type and risk characteristics of the assessed financial instruments.

The maximum period for measuring ECLs is the maximum contractual period during which the Company is exposed to credit risk.

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

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

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

The Company 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 Company is exposed to credit risk.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations

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

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting policies (Continued)

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

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Financial Statements; and
 - IAS 7 Statement of Cash Flows.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting policies (Continued)

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

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces financial statements available for public use that comply with IFRS Accounting Standards.

2.5 Use of accounting estimates and assumptions

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

Estimates and related assumptions are reviewed on an ongoing basis. Changes to estimates are recognized prospectively

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3 CASH AND CASH EQUIVALENTS

As at 31 December 2024 and 2023, cash and cash equivalents comprised the following:

	31 December 2024	31 December 2023
Cash on hand	967,262	1,573,332
Banks	5,244,787,868	1,725,122,168
- Time Deposits	4,160,804,253	898,076,142
- Demand Deposits	1,083,983,615	827,046,026
Cash at blockage (*)	53,083,670	90,500,516
Total	5,298,838,800	1,817,196,016

(*) As of December 31, 2024, TL 53,083,670 of the cash blocked amount mainly consists of receivables under supplier financing with maturities less than 3 months (2023: TL 90,500,516).

Cash and cash equivalents included in the statement of cash flows for the period ended 31 December 2024 and 2023 are comprised the followings:

	31 December 2024	31 December 2023
Cash and cash equivalents	5,298,838,800	1,817,196,016
Less: Blockage	(53,083,670)	(90,500,516)
Total	5,245,755,130	1,726,695,500

As at 31 December 2024 and 2023, time and demand deposits comprised the following currencies;

	Time Deposits		Demand Deposits	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	--	256,468,211	1,046,826,872	741,965,459
EUR	--	142,201,760	1,037,460	5,758,401
TL	4,160,804,253	499,406,171	36,119,283	79,322,166
	4,160,804,253	898,076,142	1,083,983,615	827,046,026

At 31 December 2024 and 31 December 2023, time deposits comprised the following:

Currency	Interest rate	Maturity	Original Balance	TL Balance
TL	50.00%	3,01,2025	700,000,000	738,356,164
TL	40.00%	2,01,2025	9,700,000	9,710,630
TL	43.50%	2,01,2025	182,000,000	182,216,904
TL	50.50%	21,01,2025	1,000,000,000	1,016,602,740
TL	49.00%	2,01,2025	662,500,000	663,389,384
TL	50.00%	21,01,2025	190,000,000	193,123,288
TL	50.50%	21,01,2025	350,000,000	355,810,959
TL	40.00%	2,01,2025	4,000,000	4,004,384
TL	50.50%	21,01,2025	300,000,000	304,980,822
TL	50.00%	2,01,2025	100,000,000	104,520,548
TL	49.00%	2,01,2025	587,300,000	588,088,430
31 December 2024			4,085,500,000	4,160,804,253

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3 CASH AND CASH EQUIVALENTS (Continued)

Currency	Interest rate	Maturity	Original Balance	TL Balance
TL	42.83%	26.01.2024	499,406,171	499,406,171
EUR	3.13%	12.01.2024	3,023,652	142,201,760
USD	5.00%	21.01.2024	6,034,190	256,468,211
31 December 2023				898,076,142

Interest rate risk and sensitivity analysis of The Company’s financial assets and liabilities are indicated in Note 35.

4 FINANCIAL LIABILITIES

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

	31 December 2024	31 December 2023
Short term borrowings	1,798,897,896	1,769,289,939
Short term portions of long term loans	49,521,578	66,628,748
Other financial liabilities	61,358,036	1,851,066
Lease liabilities	71,511,808	10,747,778
Short term financial borrowings	1,981,289,318	1,848,517,531
Long term borrowings	54,046,012	100,116,941
Lease liabilities	95,639,784	16,186,721
Long term financial borrowings	149,685,796	116,303,662
Total financial borrowings	2,130,975,114	1,964,821,193

The Company has no pledges or mortgages on its financial liabilities (31 December 2023: None).

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4 FINANCIAL LIABILITIES (Continued)

The Company's loans have fixed interest rates.

	31 December 2024	31 December 2023
Less than one year	1,848,419,474	1,835,918,687
Between one and two years	38,373,070	45,169,095
Between two and three years	15,672,942	38,153,009
Between three and four years	--	16,794,837
Total	1,902,465,486	1,936,035,628

As of 31 December 2024, the details of lease liabilities are as follows:

	31 December 2024	31 December 2023
Less than one year	71,511,808	10,747,778
Between one and two years	95,639,784	16,186,721
Total	167,151,592	26,934,499

As of 31 December 2024, the details of financial liabilities are as follows:

	31 December 2024		
	Currency	TL Amount	Int. Rate %
Short Term Bank Loans	TL	1,798,897,896	23.03% - 48.50%
Short Term Portions of Long Term Bank Loans	TL	49,521,578	13.75%
Total		1,848,419,474	
Long Term Bank Loans	TL	54,046,012	13.75%
Total		1,902,465,486	

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

	31 December 2023		
	Currency	TL Amount	Int. Rate %
Short Term Bank Loans	TL	1,769,289,939	14.44% - 32.81%
Short Term Portions of Long Term Bank Loans	TL	66,628,748	13.75% - 37.40%
Total		1,835,918,687	
Long Term Bank Loans	TL	100,116,941	14.70% - 32.81%
Total		1,936,035,628	

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4 FINANCIAL LIABILITIES (Continued)

As at 31 December 2024 and 31 December 2023, cash flows from financial operations comprised the followings:

	1 January 2024	Cash flows	Non-cash changes acquisition (*)	Monetary (Gain)/Loss	31 December 2024
Financial liabilities	1,936,035,628	583,146,619	61,383,318	(678,100,079)	1,902,465,486
Other financial liabilities	1,851,066	68,956,595	--	(9,449,625)	61,358,036
	1,937,886,694	652,103,214	61,383,318	(687,549,704)	1,963,823,522

	1 January 2023	Cash flows	Non-cash changes acquisition (*)	Monetary (Gain)/Loss	31 December 2023
Financial liabilities	4,413,420,221	(1,045,528,422)	96,243,813	(1,528,099,984)	1,936,035,628
Other financial liabilities	118,735,932	(89,768,357)	--	(27,116,509)	1,851,066
	4,532,156,153	(1,135,296,779)	96,243,813	(1,555,216,493)	1,937,886,694

(*) As at 31 December non-cash transactions consist of interest accrued.

5 RELATED PARTIES

For the purpose of this report, shareholders, important management personnel and members of the board of directors, their families and companies controlled by or affiliated to them, as well as associates and jointly controlled partnerships are considered as related parties. Various transactions were made with related parties during the normal operation of the enterprise. A significant part of the transactions with related parties have been eliminated and the remaining transactions with related parties after elimination are not material for the Company. These transactions were generally carried out during the normal operation of the business in accordance with market conditions.

As of 31 December 2024, there are no guarantees received/given from related parties.

For the three-month period ended 31 December 2024, the total salaries and wages paid to 10 senior executives, including the Chairman and members of the Board of Directors, the General Manager, and Directors, amounted to TL 65,291,516 (31 December 2023: TL 47,004,729)

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5 RELATED PARTIES (Continued)

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

Due from related parties:

	31 December 2024	31 December 2023
Federal Foods LLC ⁽¹⁾	50,483,549	--
Federal Foods Qatar ⁽¹⁾	38,502,484	--
Al Wafi ⁽¹⁾	24,895,472	15,191,374
BRF Kuwait Food Management Co ⁽¹⁾	19,713,176	--
Al Khan Foodstuff LLC ⁽¹⁾	10,721,464	--
BRF Global GMBH ⁽¹⁾	--	31,056,369
Total	144,316,145	46,247,743

(1) BRF Group Companies

Trade receivables from related parties arise from the sales of finished goods and raw materials.

Due to related parties:

	31 December 2024	31 December 2023
BRF S.A. ⁽¹⁾	152,787,055	--
BRF Foods LLC ⁽¹⁾	115,972,025	--
One Foods Holdings ⁽¹⁾	25,265,392	--
BRF Global GMBH ⁽¹⁾	1,122,605	--
Federal Foods Qatar ⁽¹⁾	138,956	--
Total	295,286,033	--

(1) BRF Group Companies

Trade payables to related parties arise from order advances.

Other payables:

	31 December 2024	31 December 2023
BRF S.A. ⁽¹⁾	14,929,639	3,062,196
BRF Global GMBH ⁽¹⁾	1,876,601	3,148,277
Federal Foods Qatar ⁽¹⁾	1,450,733	262,085
Federal Foods LLC ⁽¹⁾	402,723	--
Al Wafi ⁽¹⁾	--	666,259
TBQ Foods GMBH ⁽¹⁾	--	308,570,245
Total	18,659,696	315,709,062

(1) BRF Group Companies

Other payables to related parties arise from expense reflection.

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5 RELATED PARTIES (Continued)

Sales to related parties:

	31 December 2024	31 December 2023
BRF Global GMBH	368,801,446	44,615,432
Federal Foods LLC	113,265,333	--
BRF Kuwait Food Management Co	86,598,164	--
Federal- Foods Qatar	72,630,367	--
Al Wafi	75,000,914	2,928,562
Al Khan Foodstuff LLC	10,146,172	1,672
Total	726,442,396	47,545,666

Purchase from related parties:

	31 December 2024	31 December 2023
BRF S.A.	190,877,007	--
BRF Foods LLC	133,115,434	--
One Foods Holdings	29,000,216	--
BRF Global GMBH	5,607,458	--
Federal foods QATAR	837,680	--
Federal Foods LLC	448,949	--
Total	359,886,744	--

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6 TRADE RECEIVABLE AND PAYABLE

Trade receivables

Short term trade receivables of Company as of 31 December 2024 ve 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Trade receivables from other parties	2,182,903,985	2,149,934,255
Trade receivables from related parties (Note 5)	144,316,145	46,247,743
Total	2,327,220,130	2,196,181,998

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

	31 December 2024	31 December 2023
Trade receivables	2,251,255,859	2,220,641,370
Trade receivables from related parties (Note 5)	144,316,145	46,247,743
Provisions for doubtful receivables	(5,632,477)	(12,458,678)
Rediscount expense	(62,719,397)	(58,248,437)
Total	2,327,220,130	2,196,181,998

Provisions for doubtful receivables as at 1 January - 31 December 2024 and movements in 2023 were as follows:

	2024	2023
Beginning balance	(12,458,678)	(19,324,752)
Increase during the period	(51,849,589)	(6,395,206)
Reversal of bad debt provision	55,289,255	5,461,114
Monetary (Gain)/Loss	3,386,535	7,800,166
Ending Balance	(5,632,477)	(12,458,678)

The Company's exposure to currency and credit risk and impairment for current trade receivables are disclosed in Note 35.

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

	31 December 2024	31 December 2023
Letters of guarantee	789,727,255	625,880,242
Total	789,727,255	625,880,242

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6 TRADE RECEIVABLE AND PAYABLE (Continued)

Trade payables

Short term trade payables of the Company as of 31 December 2024 ve 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Trade payables to other parties	4,363,382,838	4,877,272,143
Trade payables to related parties (Note 5)	295,286,033	--
Total	4,658,668,871	4,877,272,143

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

	31 December 2024	31 December 2023
Trade payables	4,413,126,593	4,926,336,300
Trade payables to related parties (Note 5)	295,286,033	--
Less: discount income	(49,743,755)	(49,064,157)
Total	4,658,668,871	4,877,272,143

The company exposure to foreign currency and liquidity risks for short term trade payables are disclosed in Note 35.

As of 31 December 2024, the average maturity of trade receivables is 27 days (31 December 2023: 32 days) and the average maturity of trade payables is 80 days (31 December 2023: 101 days).

7 OTHER RECEIVABLES AND PAYABLES

Current assets

Other receivables of Company as of 31 December 2024 ve 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Other receivables from other parties	163,280,872	161,499,687
Total	163,280,872	161,499,687

Non-current other receivables

Non-current other receivables of Company as of 31 December 2024 ve 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Non-current other receivables from other parties	809,509	547,704
Total	809,509	547,704

The Company's exposure to foreign currency and credit risks for long term other receivables are disclosed in Note 35.

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7 OTHER RECEIVABLES AND PAYABLES (Continued)

Current other payables

As at 31 December 2024 and 31 December 2023 current other payables comprised the followings:

	31 December 2024	31 December 2023
Taxes payable	105,208,818	693,240
Other short-term payables from related parties (Note 5)	18,659,696	315,709,062
Other	--	3,715,974
Total	123,868,514	320,118,276

The Company's exposure to foreign currency and credit risks for short term other payables are disclosed in Note 35.

8 INVENTORIES

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

	31 December 2024	31 December 2023
Finished goods	443,486,059	363,457,189
Semi-finished goods	366,028,168	367,104,338
Raw materials and auxiliary items	897,267,419	1,149,675,652
Goods in transit	9,614,913	5,327,487
Provision for impairment	(30,106,866)	(43,959,309)
Total	1,686,289,693	1,841,605,357

Movements of allowance for impairment on inventories for the period ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	43,959,309	49,074,961
(Reversal)/provision for the period, net	(13,852,443)	(5,115,652)
Balance as at 31 December	30,106,866	43,959,309

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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9 BIOLOGICAL ASSETS

Breeder chickens those have useful life of 1 year, the calves that have useful life less than 1 year, broiler daily chickens, broiler turkeys and breeder pullets are classified as biological assets and calves as of 31 December 2024 and 2023

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

	31 December 2024	31 December 2023
Broiler daily chickens	1,058,345,254	1,072,765,840
Breeder chickens	377,339,760	336,162,310
Breeder pullets	202,366,478	279,873,422
Broiler turkeys	--	--
Total	1,638,051,492	1,688,801,572

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

Broiler daily chickens	31 December 2024	31 December 2023
Beginning balance	1,072,765,840	1,220,225,556
Additions	2,508,874,780	2,478,383,007
Effect of physical changes (*)	13,742,773,443	15,754,388,635
Disposal (**)	(16,266,068,809)	(18,380,231,358)
Ending balance	1,058,345,254	1,072,765,840

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

(**) The broiler chicken sent to the slaughterhouse for slaughter.

Movements of breeder chickens at 31 December 2024 as follows:

Breeder Chickens		31 December 2024	
Charge for the period	Cost	Accumulated depreciation	Net carrying amount
1 January 2024	655,491,255	(319,328,945)	336,162,310
Additions	--	(1,047,665,783)	(1,047,665,783)
Transfer from breeder pullet	1,088,843,233	--	1,088,843,233
Disposals	(1,029,738,320)	1,029,738,320	--
31 December 2024	714,596,168	(337,256,408)	377,339,760

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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9 BIOLOGICAL ASSETS (Continued)

Movements of breeder chickens at 31 December 2023 as follows:

Breeder Chickens	31 December 2023		Net carrying amount
	Cost	Accumulated depreciation	
Charge for the period			
1 January 2023	717,113,924	(179,566,572)	537,547,352
Additions	--	(1,245,748,052)	(1,245,748,052)
Transfer from breeder pullet	1,044,363,010	--	1,044,363,010
Disposals	(1,105,985,679)	1,105,985,679	--
31 December 2023	655,491,255	(319,328,945)	336,162,310

As of December 31, 2024, there is insurance on biological assets

As of 31 December 2024 and 31 December 2023, the movement table of breeder pullets are as follows:

Breeder Pullet	31 Aralık 2024	31 Aralık 2023
Beginning balance	279,873,422	237,100,545
Additions	388,638,255	381,631,261
Effect of changes in physical and prices (*)	622,698,034	705,504,626
Transfer to breeder chickens	(1,088,843,233)	(1,044,363,010)
Ending balance	202,366,478	279,873,422

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

Movements of Turkey pullets at 31 December 2024 and 31 December 2023 are as follows:

Broiler Turkey	31 December 2024	31 December 2023
Beginning balance	--	45,140,641
Additions	--	--
Effect of changes in physical and prices (*)	--	54,452,189
Disposals (**)	--	(99,592,830)
Ending balance	--	--

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

(**) The broiler pullets sent to the slaughterhouse for slaughter.

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10 PREPAID EXPENSES

At 31 December 2024 and 31 December 2023, current prepaid expenses comprised the following:

	31 December 2024	31 December 2023
Advances given to breeders	108,203,895	92,973,684
Prepaid expenses for future months	68.395.002	33.878.450
Advances given to suppliers	61.306.198	76.175.860
Advances given to personnel	1,400,882	1,200,545
Total	239,305,977	204,228,539

At 31 December 2024 and 31 December 2023, non current prepaid expenses comprised the following:

	31 December 2024	31 December 2023
Prepaid expenses	208,723	--
Advances given to suppliers	62,489	1,789,520
Advances given to fixed assets	--	19,092,216
Total	271,212	20,881,736

11 DEFERRED REVENUES

Current deferred revenue

	31 December 2024	31 December 2023
Advances received for orders	127,255,563	88,139,495
Income for future months	168,875,130	--
Total	296,130,693	88,139,495

12 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	Currency	31 December 2024		31 December 2023	
		Amount of Foreign Currency	Amount of TL	Amount of Foreign Currency	Amount of TL
A. CPM given in the name of own legal Entity	EUR	--	--	--	--
	TL	--	1,196,330,852	--	987,805,047
B. CPM given in favor of full Subsidiaries	TL	--	--	--	--
C. CPM given to guarantee the debts of third parties to continue their operations	TL	--	--	--	--
D. Other CPM		--	--	--	--
Total		--	1,196,330,852	--	987,805,047

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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13 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals (-)	Transfers	31 December 2024
Cost					
Land, Building and Land Improvements	2,414,434,535	--	(59,294,491)	95,132,319	2,450,272,363
Machinery, Plant and Equipment	3,570,606,264	--	(9,247,951)	36,548,038	3,597,906,351
Motor Vehicles	8,719,512	--	(820,626)	--	7,898,886
Furniture and Fixture	420,875,681	--	(4,652,206)	10,234,771	426,458,246
Construction in Progress (**)	72,600,764	67,784,232	--	(86,545,224)	53,839,772
Leasehold Improvements	435,176,799	--	(99,400,395)	129,742	335,906,146
Total	6,922,413,555	67,784,232	(173,415,669)	55,499,646	6,872,281,764
Accumulated Depreciation					
Building and Land Improvements	(38,801,876)	(42,773,853)	25,000	--	(81,550,729)
Machinery, Plant and Equipment	(286,489,674)	(288,602,706)	1,148,339	--	(573,944,041)
Motor Vehicles	(7,724,543)	(566,809)	730,503	--	(7,560,849)
Furniture and Fixture	(84,917,083)	(28,212,393)	1,741,640	--	(111,387,836)
Leasehold Improvements	(289,261,046)	(37,274,287)	99,233,320	--	(227,302,013)
Total	(707,194,222)	(397,430,048)	102,878,802	--	(1,001,745,468)
Net Book Value	6,215,219,333				5,870,536,296

As at 31 December 2024, there are no mortgages or pledges on property, plant, and equipment (31 December 2023: None.).

As at 31 December 2024, property, plant, and equipment are insured against earthquake, fire, flood, and similar disasters amounting to TL 4,055,112,948 (31 December 2023: TL 5,854,722,254).

Depreciation and amortization expenses of tangible fixed assets, intangible assets, right-of-use assets, and biological assets amounting to TL (1,674,853,669) were recognized as TL 1,406,049,356 in cost of sales (31 December 2023: TL 1,592,235,886), TL 207,582,389 in general administrative expenses (31 December 2023: TL 209,493,977), and TL 61,221,924 in sales, marketing, and distribution expenses (31 December 2023: TL 24,653,626).

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13 PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements of tangible assets at 31 December 2023 are as follows:

	1 January 2023	Additions	Disposals (-)	Transfers	31 December 2023
Cost					
Land, Building and Land Improvements	1,956,836,909	--	(550,908)	458,148,534	2,414,434,535
Machinery, Plant and Equipment	3,123,802,596	--	(207,733,825)	654,537,493	3,570,606,264
Motor Vehicles	8,925,207	--	(205,695)	--	8,719,512
Furniture and Fixture	249,254,339	--	(23,827,849)	195,449,191	420,875,681
Construction in Progress	1,065,530,932	386,166,127	--	(1,379,096,295)	72,600,764
Leasehold Improvements	423,641,442	--	(6,717,135)	18,252,492	435,176,799
Total	6,827,991,425	386,166,127	(239,035,412)	(52,708,585)	6,922,413,555
Accumulated Depreciation					
Building and Land Improvements	--	(38,812,671)	10,795	--	(38,801,876)
Machinery, Plant and Equipment	--	(303,796,973)	17,307,299	--	(286,489,674)
Motor Vehicles	(6,560,280)	(1,272,581)	108,318	--	(7,724,543)
Furniture and Fixture	(68,350,047)	(25,407,131)	8,840,095	--	(84,917,083)
Leasehold Improvements	(219,414,669)	(76,497,902)	6,651,525	--	(289,261,046)
Total	(294,324,996)	(445,787,258)	32,918,032	--	(707,194,222)
Net Book Value	6,533,666,429				6,215,219,333

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14 INTANGIBLE ASSETS

For the period ended 31 December 2024, the movement of intangible assets are as follows:

Cost	1 January 2024	Additions	Transfers	Disposals (-)	31 December 2024
Software	308,460,930	--	1,941,471	(59,878,550)	250,523,851
Licenses	17,948,427	--	--	(60,132)	17,888,295
Total	326,409,357	--	1,941,471	(59,938,682)	268,412,146
Accumulated Amortization					
Software	(192,087,403)	(80,243,032)	--	59,878,550	(212,451,885)
Licenses	(12,822,833)	(485,871)	--	18,376	(13,290,328)
Total	(204,910,236)	(80,728,903)	--	59,896,926	(225,742,213)
Net Book Value	121,499,121				42,669,933

For the period ended 31 December 2023, the movement of intangible assets are as follows:

Cost	1 January 2023	Additions	Transfers	Disposals (-)	31 December 2023
Software	255,752,345	--	52,708,585	--	308,460,930
Licenses	17,964,437	--	--	(16,010)	17,948,427
Total	273,716,782	--	52,708,585	(16,010)	326,409,357
Accumulated Amortization					
Software	(110,788,679)	(81,298,724)	--	--	(192,087,403)
Licenses	(12,339,027)	(488,520)	--	4,714	(12,822,833)
Total	(123,127,706)	(81,787,244)	--	4,714	(204,910,236)
Net Book Value	150,589,076				121,499,121

For the years ended 31 December 2024 and 2023 amortization expenses has been recognized under cost of sales, general administrative expense, selling and marketing expense and research and development expense.

For the year ended 31 December 2024 the Company does not have any intangible assets that are created within the Company (31 December 2023: None.).

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15 RIGHT OF USE ASSETS

For the period ended 31 December 2024, the movement of right use assets are as follows:

Cost	1 January 2024	Additions	Disposals (-)	31 December 2024
Motor Vehicles	101,660,968	282,048,403	(91,063,184)	292,646,187
Warehouses	83,771,585	--	(13,611,188)	70,160,397
Land and Land Improvements	23,449,369	--	(6,020,277)	17,429,092
Buildings	156,391,153	11,312,466	--	167,703,619
Total	365,273,075	293,360,869	(110,694,649)	547,939,295
Accumulated Amortization				
Motor Vehicles	(78,747,116)	(112,154,094)	91,063,184	(99,838,026)
Warehouses	(35,925,728)	(7,758,932)	13,611,188	(30,073,472)
Land and Land Improvements	(12,328,856)	(2,095,586)	6,020,277	(8,404,165)
Buildings	(135,152,485)	(27,020,323)	--	(162,172,808)
Total	(262,154,185)	(149,028,935)	110,694,649	(300,488,471)
Net Book Value	103,118,890			247,450,824

For the period ended 31 December 2023, the movement of right of use assets are as follows:

Cost	1 January 2024	Additions	Disposals (-)	31 December 2024
Motor Vehicles	99,628,417	--	2,032,551	101,660,968
Warehouses	83,409,240	--	362,345	83,771,585
Land and Land Improvements	23,449,369	--	--	23,449,369
Buildings	145,703,229	10,687,924	--	156,391,153
Total	352,190,255	10,687,924	2,394,896	365,273,075
Accumulated Amortization				
Motor Vehicles	(60,936,420)	(16,455,662)	(1,355,034)	(78,747,116)
Warehouses	(26,163,790)	(9,761,938)	--	(35,925,728)
Land and Land Improvements	(10,324,189)	(2,004,667)	--	(12,328,856)
Buildings	(110,313,817)	(24,838,668)	--	(135,152,485)
Total	(207,738,216)	(53,060,935)	(1,355,034)	(262,154,185)
Net Book Value	144,452,039			103,118,890

16 GOODWILL

At 31 December 2024 and 31 December 2023, The Company has no goodwill.

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17 GOVERNMENT GRANTS

On 26 October 2009, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Bandırma Asfaltı 8.Km Bandırma. Within the scope of this investment incentive certificate, the slaughter capacity of the slaughterhouse is going to increase from 200,000 units/day to 270,000 units/day. Total amount of investments of Banvit through those investment incentive certificates were realized as TL 9,332,933 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 3 years and 60% corporate tax discount and 30% contribution rate. Banvit has applied for the investment incentive certificates as of December 20, 2013 due to completion of the investment expenses.

Furthermore, on 2 December 2009, Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the cattle stock farming and slaughterhouse facilities. As at 31 December 2017, total amount of investments of Banvit through those investment incentive certificates were realized as TL 3,930,778,790 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 3 years, and 40% corporate tax discount and 15% contribution rate. Banvit has completed investment expenditures and has done the investment completion visa as of December 28, 2015.

As described at the related articles of the Announcement Regarding to the Applications of Arbitraments Concerning Government Grants at Investments (Announcement No: 2009/1) and the special terms on the investment incentive certificates, for acceptance of the inception of the investment, the Banvit have to invest at least 10% of the total investment amount defined at the certificate and have to apply to the Undersecretariat of Treasury and register the investment amount to the investment incentive certificate, The Banvit has realized that 10% special terms for the chicken slaughterhouse it is specified that the inception date of the investment incentive certificates is the receiving date of completion visa. Banvit has fulfilled this special condition in the incentive document received for the capacity expansion and modernization of the Chicken Slaughterhouse at Bandırma.

Under article 32/A of the Corporation Tax law, it was stated that profits earned from the investments tied to an incentive certificate by the Under Secretariat of Treasury shall be subjected to corporation tax based on discounted values until their value reaches the amount of contribution made to the investment starting with the account period in which the investment was started to be operated in whole or in part. Under article 12 of the communiqué, the date of commencement of operation for other investments has been indicated as the date on which completion visa was granted for the incentive certificate.

Besides, the Banvit has taken over the investment incentive certificates of slaughterhouse and hatchery in Elazığ which were acquired on 17 July 2012. Total amount of investments of Banvit through those investment incentive certificates were realized as TL 20,801,558.40 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 6 years, and 70% corporate tax discount and 30% contribution rate. As of 4 December 2017, investment completion visa is realized.

On 28 June 2010, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the feed factory addressed at Elazığ. Within the investment to be made related this document, the combined feed production weight of 26,325,000 kg/year will be 27,179,550 kg/year and breeding chicken breeders will be 18,990/year. Total amount of investments of Banvit through those investment incentive certificates were realized as TL 4,191,860 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 7 years and 90% corporate tax discount and 60% contribution rate. Banvit has applied for the investment incentive certificates as of 21 January 2015 due to completion of the investment expenses.

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17 GOVERNMENT GRANTS (Continued)

On 27 January 2015, the Banvit has obtained investment incentive certificate for the capacity increase and modernizations at the chicken slaughterhouse addressed at Bandırma Asfaltı 8.Km Bandırma. Within the scope of this investment incentive certificate, the slaughter capacity of the slaughterhouse is going to increase from 53,280,000 kg/year to 79,920,000 kg/year. The investment incentive certificate is amounting to TL 23,378,563 and provides VAT exception, customs duty exemption, social security premium payroll tax contribution for 5 years, 60% corporate tax discount and 25% contribution rate. As at 31 December 2018, total amount of investments of Banvit through those investment incentive certificates were realized as TL 23,378,563. As of 3 January 2020, investment completion visa is realized.

As of 31 December 2024, the amount of investment expenditures made within the scope of these incentive documents and the incentive amounts awarded are as follows:

Investment Incentive Place	Contribution Rate %	31 December 2024		31 December 2023	
		Realized Invesment	Investment Incentive	Realized Invesment	Investment Incentive
Bandırma Slaughterhouse	30	9,332,933	13,819,590	9,332,933	13,160,662
Bandırma Bovine	15	3,930,779	2,334,360	3,930,779	2,640,880
Elazığ Feed/Breeding	60	4,191,860	16,267,328	4,191,860	12,786,528
Elazığ Slaughterhouse	30	20,801,558	3,218,013	20,801,558	19,409,470
Bandırma Chicken Slaughterhouse	20	23,378,563	27,230,660	23,378,563	21,994,783
		61,635,693	62,869,951	61,635,693	69,992,323

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18 PROVISIONS

At 31 December 2024 ve 31 December 2023, short term provisions comprised the following:

	31 December 2024	31 December 2023
Short term provisions for employee benefits (Note 19)	272,696,005	204,314,929
Other	29,282,928	29,169,591
Short term provisions	301,978,933	233,484,520

	31 December 2024	31 December 2023
Provisions for lawsuit	28,197,720	27,911,975
Bonus provision for sales personnel	1,085,208	1,257,616
Total	29,282,928	29,169,591

Movements of other short term provisions at 31 December 2024 are as follows:

	1 January 2024	Additions	Payment/ Reversal	Monetary (Gain)/Loss	31 December 2024
Provisions for lawsuit (*)	27,911,975	10,175,750	--	(9,890,005)	28,197,720
Bonus provision for sales personnel	1,257,616	7,972,908	(7,727,096)	(418,220)	1,085,208
	29,169,591	18,148,658	(7,727,096)	(10,308,225)	29,282,928

Movements of other short term provisions at 31 December 2023 are as follows:

	1 January 2023	Additions	Payment/ Reversal	Monetary (Gain)/Loss	31 December 2023
Provisions for lawsuit (*)	35,423,889	14,882,542	(6,682,526)	(15,711,930)	27,911,975
Bonus provision for sales personnel	1,018,530	6,649,826	(5,832,206)	(578,534)	1,257,616
	36,442,419	21,532,368	(12,514,732)	(16,290,464)	29,169,591

(*) As of 31 December 2024, the majority of the provision for lawsuits consists of ongoing labor lawsuits. The Company makes full provision for these cases as of the balance sheet date.

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19 PROVISIONS FOR EMPLOYEE BENEFITS

(a) Short term provisions for employee benefits

	31 December 2024	31 December 2023
Bonus Provision	12,090,816	43,418,521
Performance bonus provision	197,141,764	102,879,385
Provision for unused vacation pay liability	63,463,425	58,017,023
Total	272,696,005	204,314,929

The movement of short term provisions for employee benefits for the years ended 31 December 2024 and 31 December 2023 are as follows:

	1 January 2024	Additions	Reversal/ Payment	Monetary (Gain)/Loss	31 December 2024
Premium Provision	43,418,521	13,878,125	(34,518,099)	(10,687,731)	12,090,816
Provision for unused vacation pay liability	58,017,023	72,844,824	(46,124,035)	(21,274,387)	63,463,425
Performance bonus	102,879,385	226,283,991	(81,790,000)	(50,231,612)	197,141,764
Total	204,314,929	313,006,940	(162,432,134)	(82,193,730)	272,696,005

	1 January 2023	Additions	Reversal/ Payment	Monetary (Gain)/Loss	31 December 2023
Premium Provision	71,541,964	55,514,164	(55,514,164)	(28,123,443)	43,418,521
Provision for unused vacation pay liability	37,170,128	45,336,781	--	(24,489,886)	58,017,023
Performance bonus	--	131,539,787	--	(28,660,402)	102,879,385
Total	108,712,092	232,390,732	(55,514,164)	(81,273,731)	204,314,929

(b) Long term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for termination indemnity (*)	601,753,919	1,071,938,723
	601,753,919	1,071,938,723

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19 PROVISIONS FOR EMPLOYEE BENEFITS (Continued)

(b) Long term provisions for employee benefits (Continued)

The movement of retirement pay provision for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Opening balance	1,071,938,723	673,719,560
Cost of services	127,467,087	128,529,193
Interest cost	175,369,036	83,333,289
Payment made during the period	(148,154,240)	(351,419,727)
Monetary Gain/Loss	(308,691,672)	(306,598,649)
Actuarial Gain/loss	(316,175,015)	844,375,057
Balance as at 31 December (*)	601,753,919	1,071,938,723

(*) According to the legislation in Turkey, employees who completed one working year in the Company, are dismissed without any meaningful reason, quit due to the military service, pass away, completed 25 working years for male, 20 working years for female and are at retirement date (58 years old for female, 60 years old for male) should be paid for termination benefit. Due to the amendment of the legislation on 8 September 1999, there are certain transitional liabilities regarding duration of service depending on retirement.

As at 31 December 2024, these payments calculate on 30 days salary according to at the most TL 41,828.42 (31.12.2023: TL 23,489.83) at the rate of retirement or resignation day per the year worked. Provision of termination benefit is calculated on the current period and reflected to financial tables. The provision is calculated on estimating the present value of the possible liability in the future caused by retirements of employees of the Company. This calculation is made according to the ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TRFS require actuarial valuation methods to be developed to entities' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting period dates have been calculated assuming an annual inflation rate of 22.25% and a interest rate of 17.50%, resulting in a real discount rate of approximately 4.04% (31 December 2023: an annual inflation rate of 21.88%, and interest rate of 25.07%, a real discount rate of approximately -2.55%). It is planned that the entitlements related to severance pay will be paid upon employees' retirement. Accordingly, retirement periods have been taken into account in calculating the present value of future obligations to be paid.

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20 PAYABLES RELATED TO EMPLOYEE BENEFITS

As at 31 December 2024 and 2023 payables related to employee benefits comprised the followings:

	31 December 2024	31 December 2023
Social security premiums payable	168,210,321	101,198,823
Payables to personnel	68,127,645	108,422,369
Total	236,337,966	209,621,192

21 OTHER ASSETS AND LIABILITIES

(a) Other current assets

As at 31 December 2024 and 2023 other current assets comprised the followings:

	31 December 2024	31 December 2023
Deferred Value Added Taxes (“VAT”)	1,294,783,947	1,144,584,537
Other	--	1,805,385
	1,294,783,947	1,146,389,922

22 ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Asset classified as held for sale

As of 31 December 2024, according to the valuation report received for the fixed assets transferred by the Company management, there is no impairment in these fixed assets (As of 31 December 2023: There is no impairment.).

	31 December 2024	31 December 2023
Beginning	57,441,117	185,160,861
Disposals(-)	--	(127,719,744)
Transfer(*)	(57,441,117)	--
Total	--	57,441,117

(*) The Company, has transferred assets with a total value of 57,441,117 TL back to the tangible fixed assets group due to the cancellation of their sale.

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22 ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

b) Discontinued operations

i) Discontinuation of turkey activities

As part of the Company’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 Company 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 2023, and the liquidation process was completed on 21 March 2024.

There are monetary debts and receivables arising from transactions between Banvit ME FZE and Company Companies, which are part of the net investment of the Company’s current overseas activities. Exchange rate differences arising from these transactions have been accounted for in the company 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).

As of 31 December 2024 and 2023, the details of the Company's profit/(loss) for the period classified as discontinued operation are as follows.

The details of income from investing activities realized as a result of the transaction are presented below:

	31 December 2024	31 December 2023
Revenue	--	116,298,052
Cost of sales (-)	--	(133,388,446)
Gross profit	--	(17,090,394)
General administrative expenses (-)	--	(8,279,232)
Operating profit/(loss)	--	(25,369,626)
Income from investment activities	--	--
Expenses from investment activities (-)	--	(45,885,996)
Net profit/(loss) for the period	--	(71,255,622)

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23 EQUITY

(a) Capital

As at 31 December 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 privileges rights provided to different shareholder Companies or individuals. The shareholder structure of the Company is as follows:

Class	31 December 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%

(a) Capital

As of 31 December 2024, the Company's issued and paid-in share capital consists of 100,023,579 Class A shares and all with a par value of TL 1 each. These shares are bearer shares.

The Company registered capital system with the permission of the Capital Markets Board dated 24 February 2011 numbered 6/181. The authorized capital limit is 8,000,000 TL and the authority to increase the capital up to the registered capital limit is given to the board of directors until 2026.

Banvit shares, which are subject to the sale, belong to Yumtaş, Banvit's bankrupt subsidiary. There was no change in the partnership shares and capital structure due to the sale. BGC Partner Menkul Değerler A.Ş. The sale transaction was carried out on 25 October 2010 through Profit of TL 82,609,206 arising from the sale of shares after the commission paid for the transactions of TL 141.321 was accounted for under other reserves (31 December 2023: TL 82,609,206).

(b) Capital adjustment differences

As of 31 December 2024, capital adjustment differences amounting to TL 1,997,640,242 consist of capital adjustment differences arising from the adjustment of the Company's paid-in capital amount according to inflation and not offset against previous years' losses or added to the capital (31 December 2023: TL 1,997,640,242).

(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).

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23 EQUITY (Continued)

(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.

	2024	2023
Balance as at 1 January	546,922,909	219,950,982
Fund outflow resulting from the sale/use of fixed assets	(11,796,471)	(15,331,676)
Deferred tax effect of valuation according to Legal Legislation (*)	--	356,999,398
Effect of change in tax rate	--	(14,695,795)
Total	535,126,438	546,922,909

(*) Since Banvit has chosen the valuation method in its financial statements, the deferred tax effect calculated from the difference between the "Turkish Tax Law" base values and the values in the "CMB" financial statements has been accounted in the Other Comprehensive Income Statement.

(e) Translation Difference

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries from their functional currencies to presentation currency in TL. As of December 31, 2024, the Company has no foreign subsidiaries. (31 December 2023: TL 885,975,965).

(f) Gains/Losses from Cash Flow Hedges

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 Company 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 Company economically, if they do not meet the necessary conditions for risk accounting, they are accounted for as trading derivatives in the company financial statements and the fair value changes related to them are reflected in the profit or loss statement.

(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.)

	31 December 2024	31 December 2023
First legal reserve	183,835,172	183,835,172
Second legal reserve	59,588,733	59,588,733
Total	243,423,905	243,423,905

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23 EQUITY (Continued)

(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 financial statements as of 31 December 2009, these shares are followed as the company's own shares at an indexed cost of TL 22,511,632. 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.

(i) Retained earnings/(Accumulated losses)

Retained earnings indicated by the Company on its financial statements issued as per communiqué of Capital Market Board (CMB); Series: (II-14.1) was TL 4,273,469,659 as of 31 December 2024 (31 December 2023: TL 2,188,180,423).

24 REVENUE AND COST OF SALES

For the periods 1 January - 31 December 2024 and 2023, gross profit as a result of revenues and cost of sales related operating are as follows:

	31 December 2024	31 December 2023
Domestic sales	38,192,986,497	35,172,627,348
Export	3,340,153,411	4,823,036,458
Other sales	3,135,637	2,265,558
Gross revenues	41,536,275,545	39,997,929,364
Returns and discounts (-)	(10,002,494,994)	(9,209,363,430)
Net sales	31,533,780,551	30,788,565,934
Cost of sales (-)	(24,143,605,794)	(27,135,626,509)
Gross profit	7,390,174,757	3,652,939,425

For the year ended 31 December, the nature of cost of sales comprised the followings:

	31 December 2024	31 December 2023
Raw materials and consumables	14,093,011,502	18,346,435,745
General production expenses	4,624,207,309	4,067,355,170
Personnel expenses	4,100,366,496	2,907,449,737
Depreciation	1,406,049,356	1,592,235,886
Changes in inventory	(80,028,869)	222,149,971
Total	24,143,605,794	27,135,626,509

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25 GENERAL ADMINISTRATIVE EXPENSES, SELLING, MARKETING AND DISTRIBUTION EXPENSES RESEARCH AND DEVELOPMENT EXPENSES

For the years ended 31 December, administrative expenses comprised the following:

	2024	2023
Consulting expenses	395,793,666	51,964,204
Personnel expenses	255,545,292	164,445,519
Depreciation and amortization	207,582,389	209,493,977
Maintenance and repair expenses	87,373,580	79,001,982
Travel expenses	46,308,808	45,635,386
Taxes, duties and fees	10,297,722	14,227,757
Insurance expenses	9,815,053	6,784,226
Accommodation expenses	5,581,980	5,222,257
Rental expenses	3,683,574	2,791,878
Non-tax-deductible expenses (KKEG)	1,934,358	614,989
Cleaning expenses	1,441,773	1,976,118
Security expenses	4,742,103	28,855,264
Other	82,636,336	57,421,279
Total	1,112,736,634	668,434,836

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	2024	2023
Shipping costs	668,885,462	630,213,834
Personnel expenses	324,455,064	209,957,575
Sales commission expenses	306,169,258	302,227,021
Export expenses	220,450,505	271,279,613
Rental expenses	113,736,297	120,872,988
Advertising expenses	75,113,436	43,725,108
Depreciation and amortization	61,221,924	24,653,626
Maintenance and repair expenses	25,790,444	8,216,345
Taxes, duties and fees	20,534,401	18,639,273
Electricity expenses	11,436,148	15,454,203
Cleaning expenses	8,237,879	7,934,425
Travel expenses	4,830,481	3,883,753
Insurance expenses	2,851,170	1,982,992
Sponsorship expenses	1,750,727	1,323,997
Consulting expenses	133,618	3,643,953
Other	39,307,504	57,925,088
Total	1,884,904,318	1,721,933,794

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26 EXPENSE BY NATURE

Depreciation and amortization expenses	2024	2023
Cost of sales (Note 24)	1,406,049,356	1,592,235,886
General administrative expenses (Note 25)	61,221,924	24,653,626
Selling, marketing and distribution expenses (Note 25)	207,582,389	209,493,977
Total	1,674,853,669	1,826,383,489

Personnel expenses	2024	2023
Cost of sales	4,100,366,496	2,907,449,737
Selling, marketing and distribution expenses	324,455,064	209,957,575
General administrative expenses	255,545,292	164,445,519
Total	4,680,366,852	3,281,852,831

For the years ended 31 December, personnel expenses comprised the following:

	2024	2023
Wages and salaries	4,532,212,612	2,930,433,104
Increase in the provision for severance pay	148,154,240	351,419,727
Total	4,680,366,852	3,281,852,831

Fees for Services Received from Independent Auditor/Independent Audit Firms

	2024	2023
Audit and assurance fee	6,779,528	14,828,106
Tax consulting fee	2,186,456	804,857
Total	8,965,984	15,632,963

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27 OTHER OPERATING INCOME AND EXPENSES

For the years ended 31 December, other operating income comprised the following:

	2024	2023
Rediscount income, net	692,888,236	235,020,417
Foreign exchange gains	123,722,881	1,218,958,816
Subsidiary sales impact (*)	73,601,899	--
Salvage income	19,627,829	23,895,508
Provisions no longer required	3,439,666	--
Income and profits from other activities	29,344,746	18,935,764
Other operating income	942,625,257	1,496,810,505

(*) As at 19 July 2024, Nutrinvestment B.V., a 100% subsidiary of Banvit, and as of 9 September 2024, Banvit Enerji ve Elektrik Üretim A.Ş., a 100% subsidiary of Banvit, have been liquidated.

For the years ended 31 December, other operating expenses comprised the following:

	2024	2023
Foreign exchange losses	490,067,723	2,161,240,414
Doubtful advance allowances	--	934,092
Other	73,874,907	125,475,424
Other operating expenses	563,942,630	2,287,649,930

28 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

For the years ended 31 December, income from investment activities comprised the following:

	2024	2023
Profit on sale of fixed assets	1,355,313	--
Profits from the sale of assets held for sale	--	138,849,980
Total Income from investing activities	1,355,313	138,849,980

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29 FINANCE INCOME AND EXPENSES

	2024	2023
Foreign exchange gains	1,021,766,746	217,937,434
Interest income on financial liabilities	99,129,586	53,990,612
Total finance expense	1,120,896,332	271,928,046

For the years ended 31 December finance expense comprised the following:

	2024	2023
Interest expense	755,482,911	867,583,513
Interest cost on defined benefit plan	175,369,043	76,316,769
Foreign exchange losses	45,557,520	428,701,264
Rental obligations interest expenses	25,646,673	10,703,979
Commission and other expenses	359,792,001	356,171,455
Total finance expense	1,361,848,148	1,739,476,980

30 EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

Net Monetary Gain Loss Position reported in the statement of profit or loss arise from the following monetary financial statement items:

	2024
Monetary Asset Items	
Cash and cash equivalents	(1,040,292,651)
Trade receivables	(908,593,057)
Other receivables	(57,600,443)
Current income tax assets	(90,745,987)
Other current assets	(414,808,075)
Monetary Liability Items	
Borrowings	543,843,476
Payables from lease transactions	54,775,535
Trade Payables	1,641,461,274
Other payables	14,152,754
Other financial liabilities	40,442,060
Tax provisions	490,843,872
Payables within the scope of employee benefits	307,084,363
Provisions	34,996,006
Net Monetary Gain Position	615,559,127

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31 OTHER COMPREHENSIVE LOSS

For the year ended 31 December 2024, income amounting to TL 237,131,261 (2023: loss amounting to TL 290,977,690) has been recognized in other comprehensive income. which will be reclassified to profit or loss.

For the year ended 31 December 2024, Foreign currency translation effect amounting to TL 0 on accumulated other comprehensive income to be reclassified to profit or loss for the year ended December 2024 (2023: income amounting to TL 396,022,919)

32 INCOME TAX

Corporate tax

The "Law Regarding the Imposition of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2024, and Amendments in Some Laws and Decree Laws, Including the Law Published in the Official Gazette with Number 32249 on July 14, 2024," according to Article 21, stipulates changes in Article 32 of the Corporate Tax Law numbered 5520. These changes regulate the corporate tax rate, increasing the general rate from 20% to 25%, and for banks and financial institutions, the rate rises from 25% to 30%. This amendment is effective from October 1, 2024, starting with the declarations to be submitted, and it is applied to the gains of corporations in the tax years of 2024 and subsequent periods (2023: 25%). The corporate tax rate is applied to the net corporate income, calculated by adding back non-deductible expenses according to tax laws and deducting exemptions and discounts specified in tax laws from the commercial income of corporations.

There is no practice in Turkey regarding reaching an agreement with the tax authorities on the taxes to be paid. Corporate tax returns must be submitted to the tax office to which the company is affiliated by the 25th day of the fourth month following the month in which the accounting period is closed.

The authorities with the power to conduct tax inspections can examine accounting records within a five-year period, and if erroneous transactions are identified, the tax amounts may change due to tax assessments. According to Turkish tax legislation, declared financial losses shown on the tax return can be deducted from the annual corporate income, provided that they do not exceed five years. However, financial losses cannot be offset against profits from previous years.

On December 30, 2024, the "GENERAL COMMUNIQUÉ ON TAX PROCEDURE LAW" was published in the Official Gazette, stating that, as of December 31, 2024, the balance sheet prepared in accordance with the Tax Procedure Law should be subjected to inflation adjustments, and the effects should be accounted for as of the same date.

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32 INCOME TAX (Continued)

Deferred Taxes

The existence of deferred tax liabilities or assets is determined by calculating the tax effects according to the balance sheet method of the temporary differences between the values of assets and liabilities as shown in the financial statements and the amounts considered in the legal tax base. Deferred tax liabilities or assets are reflected in the accompanying financial statements, taking into account the anticipated tax rates that will be applicable in future periods when these temporary differences are expected to reverse.

In reflecting the deferred tax asset in the financial statements, the Company considers factors such as developments in the sector in which it operates, estimated taxable profits in future periods, the general economic and political situation of Turkey, and/or international economic and political conditions that may affect the Company. The Company anticipates that it will generate a sufficient amount of taxable profit in future periods. As of December 31, 2024, the deferred tax assets and liabilities in the financial statements have been calculated at a rate of 25% for the portion of temporary differences that will create a tax impact in 2024 and subsequent periods.

International Tax Reform - Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that IAS 12 applies to income arising from tax laws that are enacted or substantively enacted for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing information about deferred income taxes and the disclosure requirement that the exemption has been applied apply when the amendment is issued. However, certain disclosure requirements are not mandatory for interim periods ending before December 31, 2024. The amendment did not have an impact on the financial position or performance of the Company.

Current tax assets and liabilities

As at 31 December, total current tax liability comprised the following:

	2024	2023
Corporate tax provision	(1,251,526,743)	(559,915,413)
Prepaid taxes	1,083,202,927	207,749,676
Total current tax (liability)/assets	(168,323,816)	(352,165,737)

Total income tax benefit/(expense) recognized in profit or loss for the year ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Current year tax expense	(1,436,532,068)	(608,831,761)
Deferred tax income	(110,682,286)	20,936,488
Tax income/(expense)	(1,547,214,354)	(587,895,273)

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32 INCOME TAX (Continued)

For the years 31 December, the deferred tax asset/liability movement is as follows:

	31 December 2024	31 December 2023
1 January	(87,724,127)	(653,009,492)
Deferred tax effect of OCI	(79,043,754)	544,348,877
Deferred tax income	(110,682,286)	20,936,488
Total	(277,450,167)	(87,724,127)

For the years 31 December, the tax reconciliation is as follows:

	31 December 2024	31 December 2023
Net profit/(loss) of the period	3,599,078,527	1,374,436,221
Tax (expense)/income	(1,547,214,354)	(587,895,273)
Profit/(loss) before tax	5,146,292,881	1,962,331,494
Tax rate %	%25	25%
Taxes income/(expense) on reported profit per statutory tax	(1,286,573,220)	(490,582,874)
Non-deductible expenses	(38,089,570)	(198,707,234)
Tax effect of exemptions and deductions	1,394,975	79,605,310
Effect of permanent differences on which no deferred tax has been calculated	(18,400,475)	--
Monetary Gain/Loss	(205,546,064)	21,789,525
Tax expense	(1,547,214,354)	(587,895,273)

As of 31 December 2024, deferred tax assets and liabilities comprised of the following:

	31 December 2024 Assets/(Liabilities)	31 December 2023 Assets/(Liabilities)
Tangible and intangible assets	(695,238,629)	(627,370,209)
Right of use assets and lease liabilities	(20,074,808)	(19,046,098)
Trade and Other Payables	37,191,761	26,726,129
Derivative financial instruments	--	3,407,828
Other short-term provisions	8,276,082	77,001,953
Short-term provisions for employee benefits	15,865,856	25,358,887
Trade receivables	20,227,708	17,870,277
Inventories	(16,501,812)	5,039,174
Prepaid expenses and biological assets	28,070,839	(5,215,760)
Government grants	62,869,951	101,054,059
Provisions from employee benefits	150,438,480	267,984,680
Other	131,424,405	39,464,953
Deferred tax assets/(liabilities), net	(277,450,167)	(87,724,127)

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33 EARNINGS/(LOSS) PER SHARE

Earnings per share for the year ended 31 December 2024 amounting to TL 35.9823 (31 December 2023: TL 14.4535). Earnings per share is computed by dividing the net profit for the year ended to the weighted average of the shares during these periods.

	31 December 2024	31 December 2023
Profit from Continuing Operations	3,599,078,527	1,445,691,843
(Loss) from discontinued operations	--	(71,255,622)
Number of weighted average of ordinary shares	100,023,579	100,023,579
Earnings per share from continuing operations	35.9823	14.4535
Diluted earnings/(loss) per share from discontinued operations	--	(0.7124)

34 FINANCIAL INSTRUMENTS

Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note informs about. Company’s exposures towards risks mentioned above. Company’s goals, policies and processes for measuring and managing risks and capital management policy of the Company. Detailed descriptions and analysis mentioned in Notes 34 and 35.

Financial risk management framework

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

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, 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 Company’s activities. The Company, 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.

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34 FINANCIAL INSTRUMENTS (Continued)

Financial risk management framework (Continued)

The Company audit committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company 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 Company’s 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 Company to considerably increase credit risk are mainly cash and commercial receivables. The Company has cash and cash equivalents in various financial institutions. The Company 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 Company management limits the amount of credit applied to customers. Trade receivables are assessed by considering their past experiences and current economic situation in the Company management and are presented as net in the balance sheet after the provision for doubtful receivables is settled (Note 6).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The Company 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 Company is exposed to currency risk due to its sales, import transactions and borrowings in foreign currency. These transactions are held in Usd and Euro.

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

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34 FINANCIAL INSTRUMENTS (Continued)

Operational risk

Operational risk is the direct or indirect loss arising from a wide variety of factors related to the Company'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 Company activities.

The Company’s objective is to manage operational risk so as to balance the avoidance of 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.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance,

	31 December 2024	31 December 2023
Total finance liabilities	2,130,975,114	1,964,821,193
Liquid assets	(5,298,838,800)	(1,817,196,016)
Net liabilities	(3,167,863,686)	147,625,177
Equity	10,004,136,433	6,354,846,066
Share capital	6,836,272,747	6,502,471,243
Net liabilities/Share capital	(46%)	2%

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35 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit Risk

31 December 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)	146,896,188	2,182,903,985	--	164,090,381	5,244,787,868
- The part of maximum risk under guarantee with collateral	--	(789,727,255)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	146,896,188	2,160,555,723	--	164,090,381	5,244,787,868
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	--	22,348,262	--	--	--
Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
D. Net carrying value of financial assets which are impaired	--	--	--	--	--
- Past due (gross book value)	--	5,632,477	--	--	--
- Impairment (-)	--	(5,632,477)	--	--	--
Not past due (gross book value)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E. Off balance sheet items with credit risks	--	-	--	--	--

31 December 2024	Receivables	
	Trade receivables	Other receivables
1 - 30 days past due	22,348,262	--
1 - 3 months past due	--	--
3 - 12 months past due	--	--
1 - 5 years past due	--	--

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

Credit Risk (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)	46,247,743	2,149,934,253	--	162,047,391	1,725,122,168
- The part of maximum risk under guarantee with collateral	--	(625,880,242)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	46,247,743	2,013,810,962	--	162,047,391	1,725,122,168
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	--	136,123,291	--	--	--
Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
D. Net carrying value of financial assets which are impaired	--	--	--	--	--
- Past due (gross book value)	--	12,458,678	--	--	--
- Impairment (-)	--	(12,458,678)	--	--	--
Not past due (gross book value)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--

31 December 2023	Receivables	
	Trade receivables	Other receivables
1 - 30 days past due	136,123,291	--
1 - 3 months past due	--	--
3 - 12 months past due	--	--
1 - 5 years past due	--	--

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

Credit Risk (Continued)

The Company works with most of its customers since its foundation and there has not been any loss due to receivables from these customers. In order to monitor credit risks, customers are reCompanyed according to their credit character and customer types. Most of the accounts receivable consist of the receivables from store chains.

As of 31 December 2024, the maximum credit limit granted by the Company to the branches is TL 10,000 and each credit limit offer above 10,000 TL is evaluated according to the processes determined in the Company CRM policies.

As of December 31, 2023, the Company 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 Company's CRM policies.

Company 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.

Credit risk is diversified since there are many counterparties in the customer database.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for other customers as at 31 December 2024:

	Weighted-average loss rate %	Gross carrying amount	Loss allowance
Current (not past due)	0.00%	1,357,703,292	18,571
1 - 30 days past due	0.03%	26,807,671	8,180
31 - 60 days past due	0.45%	47,803,537	213,900
61 - 90 days past due	1.94%	7,450,025	144,879
91 - 120 days past due	4.45%	304,020	13,531
121 - 150 days past due	6.04%	41,873	2,529
151 - 180 days past due	9.16%	7,021	643
181 - 360 days past due	18.01%	34,076	6,136
360+ days past due	100.00%	5,224,108	5,224,108
		1,445,375,623	5,632,477

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

Credit Risk (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for other customers as at 31 December 2023:

	Weighted-average loss rate %	Gross carrying amount	Loss allowance
Current (not past due)	0.00%	1,302,934,410	--
1 - 30 days past due	0.04%	63,702,610	25,481
31 - 60 days past due	0.20%	2,609,997	5,220
61 - 90 days past due	0.70%	2,066,337	14,464
91 - 120 days past due	1.70%	3,761,239	63,941
121 - 150 days past due	3.33%	190,948	6,359
151 - 180 days past due	5.56%	13,668,987	759,996
181 - 360 days past due	11.81%	137,874	16,283
360+ days past due	100.00%	11,566,934	11,566,934
		1,400,639,336	12,458,678

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

Liquidity risk

As at 31 December 2024, the monetary liabilities of the Company according to their remaining maturities are as follows:

31 December 2024	Book value	Contractual cash outflows	Less than 3 months	3 - 12 months	1 - 5 years
Non-derivatives financial liabilities					
Financial liabilities	(2.069.617.078)	(1.902.465.485)	(119.368.447)	(1.729.051.026)	(54.046.012)
Trade payables	(4.661.248.914)	(4.661.248.914)	(4.661.248.914)	--	--
Other payables	(123.868.514)	(123.868.514)	(123.868.514)	--	--
Total	(6.854.734.506)	(6.687.582.913)	(4.904.485.875)	(1.729.051.026)	(54.046.012)

As at 31 December 2023, the monetary liabilities of the Company according to their remaining maturities are as follows:

31 December 2023	Book value	Contractual cash outflows	Less than 3 months	3 - 12 months	1 - 5 years
Non-derivatives financial liabilities					
Financial liabilities	(1,962,970,127)	(1,937,886,694)	(719,393,172)	(1,118,376,581)	(100,116,941)
Trade payables	(4,877,272,143)	(4,877,272,143)	(4,877,272,143)	--	--
Other payables	(320,118,276)	(320,118,275)	(320,118,275)	--	--
Total	(7,160,360,546)	(7,135,277,112)	(5,916,783,590)	(1,118,376,581)	(100,116,941)

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

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 Company as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024			
	TL Equivalent	USD	EUR	GPB
1. Trade Receivables	168,395,383	3,197,566	1,513,066	--
2. Monetary Financial Assets	1,047,864,332	29,671,711	28,241	--
3. Other	--	--	--	--
4. Current Assets(1+2+3)	1,216,259,715	32,869,277	1,541,307	--
5. Total Assets (4)	1,216,259,715	32,869,277	1,541,307	--
6. Trade Payables	(2,365,453,137)	(55,661,976)	(10,818,517)	--
7. Financial Liabilities	--	--	--	--
8. Short-Term Liabilities (6+7)	(2,365,453,137)	(55,661,976)	(10,818,517)	--
9. Financial Liabilities	--	--	--	--
10. Long-Term Liabilities (9)	--	--	--	--
11. Total Liabilities (8+10)	(2,365,453,137)	(55,661,976)	(10,818,517)	--
Net (4+11)	(1,149,193,422)	(22,792,699)	(9,277,210)	--

	31 December 2023			
	TL Equivalent	USD	EUR	GPB
1. Trade Receivables	238,664,488	3,135,314	2,241,255	--
2. Monetary Financial Assets	1,146,393,842	17,456,979	122,442	--
3. Other	--	--	--	--
4. Current Assets(1+2+3)	1,385,058,330	20,592,293	2,363,697	--
5. Total Assets (4)	1,385,058,330	20,592,293	2,363,697	--
6. Trade Payables	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
7. Financial Liabilities	--	--	--	--
8. Short-Term Liabilities (6+7)	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
9. Financial Liabilities	--	--	--	--
10. Long-Term Liabilities (9)	--	--	--	--
11. Total Liabilities (8+10)	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
Net (4+11)	(768,871,075)	(18,764,839)	(7,784,254)	(350)

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

Market Risk (Continued)

Currency Risk (Continued)

	Exchange Rate Sensitivity Analysis			
	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	(80,558,059)	80,558,059	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(80,558,059)	80,558,059	--	--
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(34,191,076)	34,080,944	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(34,191,076)	34,080,944	--	--
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)	(114,749,135)	114,639,003	--	--

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(All amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

(The information provided only for comparison purposes is expressed in purchasing power as of 31 December 2024.)

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

Market Risk (Continued)

Currency Risk (Continued)

	Exchange Rate Sensitivity Analysis			
	2023			
	Profit/(Loss)		Equity	
	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	(44,994,951)	44,994,951	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(44,994,951)	44,994,951	--	--
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(17,488,643)	17,488,643	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(17,488,643)	17,488,643	--	--
10% appreciation/depreciation of other currencies against TL				
7- Other currencies net asset/liability	(1,547)	1,547	--	--
8- Portion of hedged for other currencies (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(1,547)	1,547	--	--
Total (3+6+9)	(62,485,141)	62,485,141	--	--

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

Interest rate risk

As at 31 December, the interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	31 December 2024	31 December 2023
Fixed rate instruments		
Financial asset	2,182,903,985	2,149,934,255
Financial liabilities	2,130,975,114	1,964,821,193

36 FINANCIAL INSTRUMENTS (THE FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING FOR FINANCIAL RISK)

Valuation methods of financial instruments valued at fair value are given in the table below. Valuation methods according to levels are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Data that are directly (through prices) or indirectly (derived from prices) observable data in terms of assets or liabilities, other than recorded prices in

Level 3: Data on assets or liabilities that are not based on observable market data (non-observable data).

31 December 2024	Level 1	Level 2	Level 3
Derivative financial instruments (net)	--	--	--
	--	--	--

As of 31 December 2024, the Company's lands, buildings and land improvements are measured at their fair values determined by an independent professional valuation company using other valuation techniques containing directly or indirectly observable inputs (Level 2) (Note 2.3).

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36 FINANCIAL INSTRUMENTS (THE FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING FOR FINANCIAL RISK)

Fair value

The company has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods. Fair values of financial assets and liabilities are estimated to approximate their carrying values since they have short term maturities.

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
31 December 2024				
Financial assets	7,792,729,354	--	7,792,729,354	7,792,729,354
Cash and cash equivalents	5,298,838,800	--	5,298,838,800	5,298,838,800
Trade receivables from third parties	2,182,903,985	--	2,182,903,985	2,182,903,985
Trade receivables from related parties	144,316,145	--	144,316,145	144,316,145
Other receivables from third parties	164,090,381	--	164,090,381	164,090,381
Financial liabilities	--	6,833,494,767	6,833,494,767	6,833,494,767
Financial liabilities	--	2,069,617,078	2,069,617,078	2,069,617,078
Trade payables to third parties	--	4,363,382,838	4,363,382,838	4,363,382,838
Trade payables to related parties	--	295,286,033	295,286,033	295,286,033
Other payables to third parties	--	105,208,818	105,208,818	105,208,818

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36 FINANCIAL INSTRUMENTS (THE FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING FOR FINANCIAL RISK) (Continued)

Fair value (Continued)

	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Carrying amount	Fair value
31 December 2023				
Financial assets	4,175,425,405	--	4,175,425,405	4,175,425,405
Cash and cash equivalents	1,817,196,016	--	1,817,196,016	1,817,196,016
Trade receivables from third parties	2,149,934,255	--	2,149,934,255	2,149,934,255
Trade receivables from related parties	46,247,743	--	46,247,743	46,247,743
Other receivables from third parties	162,047,391	--	162,047,391	162,047,391
Financial liabilities	--	6,844,651,484	6,844,651,484	6,844,651,484
Financial liabilities	--	1,962,970,127	1,962,970,127	1,962,970,127
Trade payables to third parties	--	4,877,272,143	4,877,272,143	4,877,272,143
Trade payables to related parties	--	--	--	-
Other payables to third parties	--	4,409,214	4,409,214	4,409,214

The Company has determined the estimated fair values of financial instruments using readily available market information and appropriate valuation methods. The fair values of financial assets and liabilities (excluding financial liabilities) are considered to almost equal to their carrying values due to their short-term nature. Internal rate of return (“IRR”) has been calculated for all the borrowings under financial liabilities and amortized figure has been accounted for.

Due to the short-term nature of financial assets and liabilities, their fair values are considered to be close to their carrying values.

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37 EVENTS AFTER BALANCE SHEET DATE

On January 19, 2024, the Competition Authority initiated a formal investigation into certain entities, including the Company, to determine whether they had violated Article 4 of the Law on the Protection of Competition. As part of this process, Banvit has been requested to submit a defense statement.

At this stage, it is not possible to predict the definitive impact of any potential administrative fines or other financial liabilities. However, the Company will continue to inform its shareholders about developments in compliance with applicable regulations.

38 STATEMENT OF CASH FLOW DISCLOSURES

Net cash provided from operating activities of the Company is TL 4,853,475,966 (2023: TL 3,958,912,322), net cash used in investing activities is (973,510,788) TL (2023: TL (606,954,785)), net cash used financing activities is TL 866,306,524 (2023: TL (1,735,315,249)) as of 31 December 2024.

39 STATEMENTS OF CHANGES IN EQUITY DISCLOSURES

The equity of the Company consist the equity Parent company in amount of TL 10,004,136.433 as of 31 December 2024 (31 December 2023: TL 6,354,846,066)

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