

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023
(ORIGINALLY ISSUED IN TURKISH)**



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

**REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

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

Introduction

1. We have reviewed the accompanying condensed consolidated statement of financial position of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

Additional explanation for convenience translation into English

4. Turkish Financial Reporting Standards differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "Mert Tüten", with a stylized flourish extending to the left.

Mert Tüten, SMMM
Partner

Istanbul, 17 August 2023

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

		Limited Audited Current Period 30 June 2023	Restated(*) Audited Prior Period 31 December 2022	Restated(*) Audited Prior Period 31 December 2021
	Notes			
ASSETS				
Current Assets		7,238,946,295	6,894,254,133	3,351,241,117
Cash and cash equivalents	27	31,976,167	275,124,560	64,985,958
Trade receivables	6	2,126,511,746	1,857,340,065	1,067,217,650
- Trade receivables from related parties	5	1,030,451,383	1,068,619,611	594,279,867
- Trade receivables from third parties	6	1,096,060,363	788,720,454	472,937,783
Other receivables	7	2,263,664,635	2,234,725,593	1,233,185,407
- Other receivables from related parties	5	2,165,388,504	2,180,727,211	1,226,875,218
- Other receivables from third parties	7	98,276,131	53,998,382	6,310,189
Inventories	8	2,353,757,523	1,893,126,795	875,869,289
Prepaid expenses	9	216,878,609	418,119,150	30,298,157
Current income tax assets	22	65,063,079	6,746,901	21,908,965
Other current assets	16	181,094,536	209,071,069	57,775,691
Non-Current Assets		3,425,597,128	3,175,227,227	1,626,927,654
Other receivables	7	2,549,871	2,263,684	1,559,489
- Other receivables from third parties	7	2,549,871	2,263,684	1,559,489
Financial investments	24	31,017	31,017	21,340
Investment properties	10	504,921,210	504,921,210	233,906,133
Property, plant and equipment	11	2,762,887,079	2,563,896,075	1,257,330,085
Right of use assets		26,025,929	13,094,473	9,415,170
Intangible assets	12	60,652,887	44,589,414	28,822,397
Prepaid expenses	9	5,046,900	4,344,932	2,901,022
Deferred tax assets	22	63,482,235	42,086,422	92,972,018
TOTAL ASSETS		10,664,543,423	10,069,481,360	4,978,168,771

(*) Restatement effects have been explained in Note 2.

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

		Limited Audited Current Period 30 June 2023	Restated(*) Audited Prior Period 31 December 2022	Restated(*) Audited Prior Period 31 December 2021
LIABILITIES				
Current Liabilities		6,002,361,435	4,890,954,292	2,841,049,901
Short-term borrowings	25	1,633,883,739	1,590,766,379	1,351,227,487
- Bank loans	25	1,572,840,026	1,558,635,604	1,310,955,005
- Lease liabilities	25	61,043,713	32,130,775	40,272,482
Trade payables	6	2,051,993,074	2,319,738,978	1,070,772,297
- Trade payables to related parties	5	36,123,289	13,883,756	17,144,093
- Trade payables to third parties	6	2,015,869,785	2,305,855,222	1,053,628,204
Other payables	7	1,944,567,648	690,639,015	321,058,898
- Other payables to related parties	5	1,944,312,668	690,564,222	318,820,800
- Other payables to third parties	7	254,980	74,793	2,238,098
Payables related to employee benefits		78,867,592	37,774,020	18,767,792
Deferred income	9	76,567,217	66,185,691	36,760,431
Current income tax liabilities	22	22,498,398	91,476,844	171,249
Short-term provisions		91,450,222	65,325,938	29,119,092
- Short-term provisions for employee benefits		52,522,005	52,655,544	19,061,891
- Other short-term provisions	14	38,928,217	12,670,394	10,057,201
Other current liabilities	16	102,533,545	29,047,427	13,172,655
Non-Current Liabilities		1,167,154,256	1,090,238,970	775,668,085
Long-term borrowings	25	295,939,194	126,979,507	119,678,024
- Bank loans	25	154,847,001	-	-
- Lease liabilities	25	141,092,193	126,979,507	119,678,024
Other payables	7	590,832,554	559,280,813	568,155,848
- Other payables to related parties	5	590,832,554	559,280,813	568,155,848
Long-term provisions		198,404,533	158,197,982	62,428,493
- Long-term provisions for employee benefits		198,404,533	158,197,982	62,428,493
Deferred income		4,243,909	3,006,487	159,483
Deferred tax liabilities	22	77,734,066	242,774,181	25,246,237
Total Liabilities		7,169,515,691	5,981,193,262	3,616,717,986
EQUITY				
Paid in capital	17	662,000,000	662,000,000	662,000,000
Other comprehensive income or expenses are not reclassified to profit or loss		1,337,835,965	1,203,852,666	368,245,611
- Gains on revaluation of plant, property and equipment		1,400,465,517	1,263,284,839	377,336,838
- Losses on remeasurement of defined benefit plans		(69,834,995)	(66,637,616)	(16,296,670)
- Gains on revaluation of investment properties		7,205,443	7,205,443	7,205,443
Other comprehensive income or expenses to be reclassified to profit or loss		418,939,859	325,643,747	228,783,652
- Currency translation differences		418,939,859	325,643,747	228,783,652
Share premium		702,050	702,050	702,050
Restricted reserves	17	37,378,874	37,378,874	37,378,874
Effect of Business Combinations Under Common Control		(758,537,494)	142,763,506	10,800,000
Retained earnings		1,285,168,886	(13,030,893)	(101,620,586)
Net profit for the year		52,228,543	1,298,199,779	(142,807,750)
Equity holders of the parent		3,035,716,683	3,657,509,729	1,063,481,851
Non-controlling interests		459,311,049	430,778,369	297,968,934
Total Equity		3,495,027,732	4,088,288,098	1,361,450,785
TOTAL LIABILITIES AND EQUITY		10,664,543,423	10,069,481,360	4,978,168,771

(*) Restatement effects have been explained in Note 2.

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OR COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 30 JUNE 2023 AND 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Limited Audited Current Period 1 January - 30 June 2023	Restated(*) Limited Audited Prior Period 1 January - 30 June 2022	Unaudited Current Period 1 April - 30 June 2023	Restated(*) Unaudited Prior Period 1 April - 30 June 2023
Revenue	18	6,339,152,157	5,285,278,342	3,028,544,306	2,802,193,755
Cost of sales (-)	18	(4,995,546,900)	(3,696,036,931)	(2,313,001,731)	(1,960,205,854)
GROSS PROFIT		1,343,605,257	1,589,241,411	715,542,575	841,987,901
General administrative expenses (-)	19	(155,048,561)	(75,018,769)	(76,502,012)	(37,799,032)
Marketing, sales and distribution expenses (-)	19	(503,786,270)	(313,732,204)	(238,798,116)	(161,114,376)
Research and development expenses (-)	19	(7,042,636)	(5,422,091)	(4,123,884)	(2,832,647)
Other income from operating activities		45,482,048	34,521,948	27,349,089	32,182,451
Other expenses from operating activities (-)		(291,084,853)	(297,375,354)	(204,685,296)	(251,575,034)
OPERATING PROFIT		432,124,985	932,214,941	218,782,356	420,849,263
Income from investment activities	20	339,866,486	194,101,259	191,222,127	90,768,017
Expenses from investment activities (-)	20	(43,645,850)	-	12,914,380	-
OPERATING PROFIT BEFORE FINANCIAL INCOME		728,345,621	1,126,316,200	422,918,863	511,617,280
Financial income	21	-	5,202,495	(21,536,305)	3,430,921
Financial expenses (-)	21	(649,594,485)	(261,950,346)	(461,419,606)	(101,817,428)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		78,751,136	869,568,349	(60,037,048)	413,230,773
Tax expense from continuing operations		(45,126,980)	(209,496,948)	(25,467,713)	(104,035,619)
- Current tax expense (-)	22	(52,398,089)	(182,699,036)	1,314,670	(96,799,652)
- Deferred tax expense (-)	22	7,271,109	(26,797,912)	(26,782,383)	(7,235,967)
PROFIT FOR THE YEAR		33,624,156	660,071,401	(85,504,761)	309,195,154
Profit for the year attributable to:					
Non-controlling interests		(18,604,387)	51,414,910	(4,469,614)	28,427,545
Equity holders of the parent		52,228,543	608,656,491	(81,035,147)	280,767,609
Earnings per share (Kr)	23	0,0789	0,9194	(0,1224)	0,4241
OTHER COMPREHENSIVE INCOME:					
Items to not be reclassified subsequently to profit or loss		141,157,643	(3,072,214)	143,826,090	(391,435)
- Actuarial loss on defined benefit plans		(3,996,723)	(3,840,268)	(1,773,017)	(489,294)
- Other comprehensive (loss) / income not to be reclassified to (loss) / profit, tax effect		145,154,366	768,054	145,599,107	97,859
Items to be reclassified subsequently to profit or loss		133,258,835	79,691,624	119,498,131	36,515,834
- Currency translation differences		133,258,835	79,691,624	119,498,131	36,515,834
Other Comprehensive Income		274,416,478	76,619,410	263,324,221	36,124,399
TOTAL COMPREHENSIVE INCOME		308,040,634	736,690,811	177,819,460	345,319,553
Total comprehensive income for the year attributable to:					
Non-controlling interests		28,532,680	75,316,135	38,553,553	39,376,241
Equity holders of the parent		279,507,954	661,374,676	139,265,907	305,943,312

(*) Restatement effects have been explained in Note 2.

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

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS 30 JUNE 2023 AND 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Accumulated other comprehensive income or expenses not to be reclassified to profit or lose				Accumulated other comprehensive income or expenses to be reclassified to profit or lose	Retained Earnings			Equity holders of the parent	Non-controlling interests	Total Equity		
	Paid in capital	Gains on revaluation of plant, property and equipment	Losses on remeasurement of defined benefit plans	Gains on revaluation of investment properties		Currency translation differences	Share premium	Restricted reserves				Effect of Business Combinations Under Common Control	Retained earnings
Balances as of 1 January 2022 (Previously Reported)	662,000,000	342,341,445	(15,001,900)	7,205,443	228,783,652	702,050	37,378,874	-	60,502,217	(39,945,063)	1,283,966,718	297,968,934	1,581,935,652
Transactions Under Common Control	-	34,995,393	(1,294,770)	-	-	-	-	10,800,000	(162,122,803)	(102,862,687)	(220,484,867)	-	(220,484,867)
Balances as of 1 January 2022 (Restated)	662,000,000	377,336,838	(16,296,670)	7,205,443	228,783,652	702,050	37,378,874	10,800,000	(101,620,586)	(142,807,750)	1,063,481,851	297,968,934	1,361,450,785
Transfers	-	-	-	-	-	-	-	-	(142,807,750)	142,807,750	-	-	-
Total comprehensive income	-	-	(3,072,214)	-	55,790,399	-	-	-	-	608,656,491	661,374,676	75,316,135	736,690,811
Balances as of 30 June 2022	662,000,000	377,336,838	(19,368,884)	7,205,443	284,574,051	702,050	37,378,874	10,800,000	(244,428,336)	608,656,491	1,724,856,527	373,285,069	2,098,141,596
Balances as of 1 January 2023 (Previously Reported)	662,000,000	1,067,557,819	(61,333,997)	7,205,443	325,643,747	702,050	37,378,874	-	20,557,152	1,310,522,200	3,370,233,288	430,778,369	3,801,011,657
Transactions Under Common Control	-	195,727,020	(5,303,619)	-	-	-	-	142,763,506	(33,588,045)	(12,322,421)	287,276,441	-	287,276,441
Balances as of 1 January 2023 (Restated)	662,000,000	1,263,284,839	(66,637,616)	7,205,443	325,643,747	702,050	37,378,874	142,763,506	(13,030,893)	1,298,199,779	3,657,509,729	430,778,369	4,088,288,098
Transfers	-	-	-	-	-	-	-	-	1,298,199,779	(1,298,199,779)	-	-	-
Transactions Under Common Control	-	-	-	-	-	-	-	(901,301,000)	-	-	(901,301,000)	-	(901,301,000)
Total comprehensive income	-	137,180,678	(3,197,379)	-	93,296,112	-	-	-	-	52,228,543	279,507,954	28,532,680	308,040,634
Balances as of 30 June 2023	662,000,000	1,400,465,517	(69,834,995)	7,205,443	418,939,859	702,050	37,378,874	(758,537,494)	1,285,168,886	52,228,543	3,035,716,683	459,311,049	3,495,027,732

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

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 30 JUNE 2023 AND 2022

	Notes	Limited Audited Current Period 1 January - 30 June 2023	Restated Limited Audited Prior Period 1 January - 30 June 2022
Cash flows from operating activities		(378,966,036)	243,599,064
Profit for the year		33,624,156	660,071,401
Adjustments to reconcile profit for the year		513,613,998	480,013,894
Adjustments related to depreciation and amortization expenses	12	57,726,309	37,109,918
Adjustments related to provision for/ (reversal) of impairment loss		2,795,059	9,436,875
- <i>Adjustments related to impairment loss on receivables</i>	6	4,697,868	9,209,188
- <i>Adjustments related to impairment (loss) / gain on inventories, net</i>	8	(1,902,809)	227,687
Adjustments related to provisions		107,926,211	128,827,346
- <i>Adjustments related to provisions employee benefit</i>		97,622,039	42,750,131
- <i>Adjustments related to lawsuit provisions</i>	14	(797,634)	(1,464,369)
- <i>Other adjustments related to operations</i>		11,101,806	87,541,584
Adjustments related to interest (income) and expenses, and commission expenses		42,636,654	(70,031,872)
- <i>Adjustments related to interest and commission expense</i>	21	371,547,306	75,903,912
- <i>Adjustments related to interest income</i>	20	(328,910,652)	(145,935,784)
Adjustments related to unrealized currency translation differences	21	235,102,002	166,478,500
Adjustments related to tax expense	22	45,126,980	209,496,948
Adjustments related to (gain)/loss on fair value		-	(5,202,495)
- <i>Adjustments for fair value (gains) / losses of derivative financial instruments</i>	21	-	(5,202,495)
Adjustments related to (gain)/loss on disposal of non-current assets	20	(1,287,239)	(387,876)
Adjustments for other items caused by cash flows arising from investment or financing activities	21	23,588,022	4,286,550
Changes in working capital		(684,965,726)	(805,358,400)
Changes in trade receivables	6	(273,869,549)	(583,728,800)
- <i>Increase in trade receivables from non-related parties</i>	6	(312,037,777)	(241,107,993)
- <i>Increase in trade receivables from related parties</i>	5	38,168,228	(342,620,807)
Changes in inventories	8	(458,727,919)	(461,257,987)
Changes in other receivables related to operations		163,180,769	(253,798,135)
Changes in trade payables	6	(267,745,904)	426,875,919
- <i>(Decrease) / increase in trade payables from non-related parties</i>	6	(289,985,437)	425,293,050
- <i>Increase / (decrease) in trade payables from related parties</i>	5	22,239,533	1,582,869
Changes in other payables related to operations		152,196,877	66,550,603
Cash generated from operations		(137,727,572)	334,726,895
Cash outflow from paid in employee benefit provisions		(61,545,751)	(17,909,196)
Taxes paid		(179,692,713)	(73,218,635)
Cash flows from investing activities		(596,621,569)	92,082,763
Payments for purchase of property, plant and equipment and intangible assets		(36,883,726)	(61,713,391)
- <i>Payments for purchase of property, plant and equipment</i>	11	(21,009,338)	(52,480,376)
- <i>Payments for purchase of intangible assets</i>	12	(15,874,388)	(9,233,015)
Proceeds from sale of property, plant and equipment and intangible assets	11,12,20	2,983,910	2,332,551
Rental income from investment properties	20	9,668,595	5,537,496
Interest income from investment activities	20	328,910,652	145,935,784
Cash outflows from purchase of subsidiary		(901,301,000)	-
Cash outflows due to purchase of participation shares		-	(9,677)
Cash flows from financing activities		869,547,155	(309,335,750)
Cash inflows from loans		1,313,360,288	1,166,625,620
Cash outflows from repayment of borrowings		(1,379,410,867)	(788,489,820)
Payments of lease liabilities		30,094,168	(19,056,420)
Interest and commission paid		(371,547,306)	(75,903,912)
Net increase / (decrease) in other payables to related parties		1,277,050,872	(592,511,218)
Net (decrease) / increase in cash and cash equivalents before the effect of exchange rate changes		(106,040,450)	26,346,077
Effects of exchange rate changes on cash and cash equivalents		(137,107,943)	(43,333,587)
Net change in cash and cash equivalents		(243,148,393)	(16,987,510)
Cash and cash equivalents at the beginning of the year	27	275,124,560	64,985,958
Cash and cash equivalents at the end of the year	27	31,976,167	47,998,448

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

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

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

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

As of 30 June 2023 and 31 December 2022, the principal shareholders and their respective shareholding rates in the Company are as follows:

	30 June 2023	31 December 2022
	(%)	(%)
Yıldız Holding A.Ş.	54.27	54.27
Murat Ülker	9.98	9.98
Ufuk Yatırım Yönetim ve Gayrimenkul A.Ş.	6.26	6.26
Other	29.49	29.49
	100	100

As of 30 June 2023, the number of employees employed by the Group is 1,874 (31 December 2022: 1,837).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

The subsidiaries included in the scope of consolidation of the Group as of 30 June 2023 and 31 December 2022 and respective effective ownership rates are as follows:

Subsidiaries	Direct and Indirect Effective Ownership %		Countries of activity	Nature of business
	30 June 2023	31 December 2022		
Kerpe Gıda Sanayi ve Tic. A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Besmar Gıda Sanayi ve Ticaret A.Ş.	100	100	Türkiye	Production and Trading of Agricultural and Animal Products
Donuk Fırıncılık Ürünleri Sanayi ve Tic. A.Ş. (*)	100	0	Türkiye	Production, Buying and Selling of Frozen Bakery Products
Berk Enerji Üretimi A.Ş.	88.17	88.17	Türkiye	Generation of Electricity
Marsa Yağ Sanayi ve Tic. A.Ş.	70	70	Türkiye	Production and Trading of Oil and Oil Products
Western Foods and Pack. SDN BHD (**)	70	70	Brunei	Production and Trading of Oil and Oil Products

(*) The Group has purchased 100% of the shares of Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş., 100% owned by Yıldız Holding A.Ş. on 5 May 2023 for a consideration of TRY901,301,000.

(**) The Group has indirect ownership.

Approval of the financial statements

The consolidated financial statements as of and for the interim period ended 30 June 2023 have been approved by the Board of Directors on 17 August 2023. General Assembly has authority to change the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 - Basis of Presentation

Basis of Preparation of Consolidated Financial Statements and Specific Accounting Policies

The Company and its subsidiaries keep and prepare their legal books and statutory financial statements in accordance with the accounting principles determined by the Turkish Commercial Code (“TCC”) and tax legislation.

The accompanying financial statements are prepared in accordance with the requirements of the Communiqué Serial II, no: 14.1 “Basis of Financial Reporting in Capital Markets” as issued by Capital Markets Board of Turkey (“CMB”) which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements have been prepared in accordance with the Turkish Accounting Standards (“TAS”) and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) under Article 5th of the Communiqué.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.1 Basis of Presentation (Continued)

The consolidated financial statements have been prepared on the historical cost basis except for land and building and financial assets and liabilities accounted with their fair values. Historical cost is generally based on the nominal or original cost of assets when acquired by the Company.

Consolidated financial statements are presented in accordance with the formats determined in the “Announcement on TAS Taxonomy” published by POA on 4 October 2022 and Financial Statement Examples and User Guide published by CMB.

Inflation Adjustment

On January 20, 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Financial Reporting Standard for Large and Medium-sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Functional Currency

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

Going Concern Principle

The consolidated financial statements of the Group are prepared on a going concern basis.

Netting/Offset

Financial assets and liabilities are shown as offset in the balance sheet if there is a legal right and enforcement power to set off and there is an intention to collect/pay the said assets and liabilities on a net-off basis or to settle them simultaneously.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.1 Basis of Presentation (Continued)

Basis of Consolidation

(a) Subsidiaries

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

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

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

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

(c) Losses control of subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. transfer to profit / loss or transfer to retained earnings in accordance with TFRSs). The fair value of any investment retained after the sales of a subsidiary at the date when control is lost, is regarded as the fair value on initial recognition accounting within the scope of TFRS 9 Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 Changes in Accounting Policies

Significant changes in accounting policies and important accounting errors identified are applied retrospectively and the previous period financial statements are rearranged. Accounting policy changes arising from the first implementation of a new standard are applied backwards or forwards in accordance with the transition provisions. If the changes in accounting forecasts are only related to one period, in the current period in which the amendment is made, the future periods are applied both in the period of the change and the future in the future.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The condensed consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period condensed consolidated financial statements, comparative information is rearranged when deemed necessary and important differences are disclosed. The Group has restated its prior period financial statements in order to comply with the presentation of the current period condensed consolidated financial statements.

In the consolidated statement of profit or loss and other comprehensive income as of 30 June 2022, TRY87,541,584 reported in “Financial Expenses” has been reclassified to “Other Operating Expenses”. This reclassification has no effect on the net profit for the period.

As per the principle related to “Accounting for business combinations under common control” the Public Oversight Accounting and Auditing Standards Authority issued in the Official Gazette dated 21 July 2013, business combinations under common control shall be accounted through restating previous periods’ financial statements via the pooling of interest method. In this case, with the acquisition of Donuk Fırıncılık Ürünleri Sanayi ve Tic. A.Ş. (Note:3) the Group restated its consolidated balance sheets as at 31 December 2022 and 2021 and restated the consolidated income statement, consolidated other comprehensive income statement and consolidated statement of changes in shareholders’ equity for the period then ended at 30 June 2022.

The effects of the relevant regulations and classifications described above are presented below. The reported column shows the consolidated financial statement before the acquisition of Donuk Fırıncılık, and the restated column shows the consolidated financial statement after the acquisition of Donuk Fırıncılık, and the effects of the related acquisition are explained in Note 3.

	Reported Prior Period 31 December 2022	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2022
ASSETS			
Current Assets	6,736,659,549	157,594,584	6,894,254,133
Cash and cash equivalents	275,032,600	91,960	275,124,560
Trade receivables	1,771,113,296	86,226,769	1,857,340,065
Other receivables	2,227,952,646	6,772,947	2,234,725,593
Inventories	1,852,959,875	40,166,920	1,893,126,795
Prepaid expenses	404,762,158	13,356,992	418,119,150
Current income tax assets	6,746,901	-	6,746,901
Other current assets	198,092,073	10,978,996	209,071,069
Non-Current Assets	2,792,843,259	382,383,968	3,175,227,227
Other receivables	1,743,456	520,228	2,263,684
Financial investments	31,017	-	31,017
Investment properties	504,921,210	-	504,921,210
Property, plant and equipment	2,183,455,634	380,440,441	2,563,896,075
Right of use assets	13,094,473	-	13,094,473
Intangible assets	43,166,115	1,423,299	44,589,414
Prepaid expenses	4,344,932	-	4,344,932
Deferred tax assets	42,086,422	-	42,086,422
TOTAL ASSETS	9,529,502,808	539,978,552	10,069,481,360

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2022	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2022
LIABILITIES			
Current Liabilities	4,763,075,367	127,878,925	4,890,954,292
Short-term borrowings	1,564,252,755	26,513,624	1,590,766,379
Trade payables	2,244,373,683	75,365,295	2,319,738,978
Other payables	672,413,528	18,225,487	690,639,015
Payables related to employee benefits	33,683,356	4,090,664	37,774,020
Deferred income	65,846,271	339,420	66,185,691
Current income tax liabilities	91,476,844	-	91,476,844
Short-term provisions	63,154,847	2,171,091	65,325,938
Other current liabilities	27,874,083	1,173,344	29,047,427
Non-Current Liabilities	965,415,784	124,823,186	1,090,238,970
Long-term borrowings	45,108,424	81,871,083	126,979,507
Other payables	541,896,132	17,384,681	559,280,813
Long-term provisions	151,832,464	6,365,518	158,197,982
Deferred Income	2,966,616	39,871	3,006,487
Deferred tax liabilities	223,612,148	19,162,033	242,774,181
Total Equity	3,801,011,657	287,276,441	4,088,288,098
Paid in capital	662,000,000	-	662,000,000
Other comprehensive income or expenses are not reclassified to profit or loss	1,013,429,265	190,423,401	1,203,852,666
- Gains on revaluation of plant, property and equipment	1,067,557,819	195,727,020	1,263,284,839
- Losses on remeasurement of defined benefit plans	(61,333,997)	(5,303,619)	(66,637,616)
- Gains on revaluation of investment properties	7,205,443	-	7,205,443
Other comprehensive income or expenses to be reclassified to profit or loss	325,643,747	-	325,643,747
- Currency translation differences	325,643,747	-	325,643,747
Share premium	702,050	-	702,050
Restricted reserves	37,378,874	-	37,378,874
Effect of Business Combinations Under Common Control	-	142,763,506	142,763,506
Retained earnings	20,557,152	(33,588,045)	(13,030,893)
Net profit for the year	1,310,522,200	(12,322,421)	1,298,199,779
Equity holders of the parent	3,370,233,288	287,276,441	3,657,509,729
Non-controlling interests	430,778,369	-	430,778,369
TOTAL LIABILITIES AND EQUITY	9,529,502,808	539,978,552	10,069,481,360

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

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

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2021	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2021
ASSETS			
Current Assets	3,272,199,465	79,041,652	3,351,241,117
Cash and cash equivalents	64,962,641	23,317	64,985,958
Trade receivables	1,019,671,564	47,546,086	1,067,217,650
Other receivables	1,232,461,735	723,672	1,233,185,407
Inventories	858,990,826	16,878,463	875,869,289
Prepaid expenses	24,921,796	5,376,361	30,298,157
Current income tax assets	21,908,555	410	21,908,965
Other current assets	49,282,348	8,493,343	57,775,691
Non-Current Assets	1,449,847,908	177,079,746	1,626,927,654
Other receivables	1,433,489	126,000	1,559,489
Financial investments	21,340	-	21,340
Investment properties	233,906,133	-	233,906,133
Property, plant and equipment	1,105,361,494	151,968,591	1,257,330,085
Right of use assets	9,415,170	-	9,415,170
Intangible assets	27,521,904	1,300,493	28,822,397
Prepaid expenses	2,901,022	-	2,901,022
Deferred tax assets	69,287,356	23,684,662	92,972,018
TOTAL ASSETS	4,722,047,373	256,121,398	4,978,168,771

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 31 December 2021	Effects of Restatement with Eliminations	Restated Prior Period 31 December 2021
LIABILITIES			
Current Liabilities	2,455,866,002	385,183,899	2,841,049,901
Short-term borrowings	1,315,594,754	35,632,733	1,351,227,487
Trade payables	1,037,945,331	32,826,966	1,070,772,297
Other payables	7,409,089	313,649,809	321,058,898
Payables related to employee benefits	16,963,680	1,804,112	18,767,792
Deferred income	36,608,234	152,197	36,760,431
Current income tax liabilities	171,249	-	171,249
Short-term provisions	28,513,620	605,472	29,119,092
Other current liabilities	12,660,045	512,610	13,172,655
Non-Current Liabilities	684,245,719	91,422,366	775,668,085
Long-term borrowings	46,923,281	72,754,743	119,678,024
Other payables	551,261,040	16,894,808	568,155,848
Long-term provisions	60,815,161	1,613,332	62,428,493
Deferred Income	-	159,483	159,483
Deferred tax liabilities	25,246,237	-	25,246,237
EQUITY	1,581,935,652	(220,484,867)	1,361,450,785
Paid in capital	662,000,000	-	662,000,000
Other comprehensive income or expenses are not reclassified to profit or loss	334,544,988	33,700,623	368,245,611
- Gains on revaluation of plant, property and equipment	342,341,445	34,995,393	377,336,838
- Losses on remeasurement of defined benefit plans	(15,001,900)	(1,294,770)	(16,296,670)
- Gains on revaluation of investment properties	7,205,443	-	7,205,443
Other comprehensive income or expenses to be reclassified to profit or loss	228,783,652	-	228,783,652
- Currency translation differences	228,783,652	-	228,783,652
Share premium	702,050	-	702,050
Restricted reserves	37,378,874	-	37,378,874
Effect of Business Combinations Under Common Control	-	10,800,000	10,800,000
Retained earnings	60,502,217	(162,122,803)	(101,620,586)
Net profit for the year	(39,945,063)	(102,862,687)	(142,807,750)
Equity holders of the parent	1,283,966,718	(220,484,867)	1,063,481,851
Non-controlling interests	297,968,934	-	297,968,934
TOTAL LIABILITIES AND EQUITY	4,722,047,373	256,121,398	4,978,168,771

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.3 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)

	Reported Prior Period 30 June 2022	Effects of Restatement with Eliminations	Restated Prior Period 30 June 2022
Revenue	5,144,377,118	140,901,224	5,285,278,342
Cost of sales (-)	(3,595,379,334)	(100,657,597)	(3,696,036,931)
GROSS PROFIT	1,548,997,784	40,243,627	1,589,241,411
General administrative expenses (-)	(67,298,699)	(7,720,070)	(75,018,769)
Marketing, sales and distribution expenses (-)	(296,712,309)	(17,019,895)	(313,732,204)
Research and development expenses (-)	(4,856,879)	(565,212)	(5,422,091)
Other income from operating activities	33,661,326	860,622	34,521,948
Other expenses from operating activities (-)	(296,617,015)	(758,339)	(297,375,354)
OPERATING PROFIT	917,174,208	15,040,733	932,214,941
Income from investment activities	194,101,259	-	194,101,259
Expenses from investment activities (-)	-	-	-
OPERATING PROFIT BEFORE FINANCIAL INCOME	1,111,275,467	15,040,733	1,126,316,200
Financial income	5,202,495	-	5,202,495
Financial expenses (-)	(207,099,998)	(54,850,348)	(261,950,346)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	909,377,964	(39,809,615)	869,568,349
Tax expense from continuing operations	(203,656,669)	(5,840,279)	(209,496,948)
- Current tax expense (-)	(182,699,036)	-	(182,699,036)
- Deferred tax expense (-)	(20,957,633)	(5,840,279)	(26,797,912)
PROFIT FOR THE YEAR	705,721,295	(45,649,894)	660,071,401
Items to not be reclassified subsequently to profit or loss	-	(3,072,214)	(3,072,214)
- Actuarial loss on defined benefit plans	-	(3,840,268)	(3,840,268)
- Other comprehensive (loss) / income not to be reclassified to (loss) / profit, tax effect	-	768,054	768,054
Items to be reclassified subsequently to profit or loss	79,691,624	-	79,691,624
- Currency translation differences	79,691,624	-	79,691,624
TOTAL COMPREHENSIVE INCOME	785,412,919	(48,722,108)	736,690,811
Total comprehensive income for the year attributable to:			
Non-controlling interests	710,096,784	(48,722,108)	661,374,676
Equity holders of the parent	75,316,135	-	75,316,135

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.4 New and Amended Turkish Accounting Standards

New and revised standards and interpretations

The accounting policies taken as basis in the preparation of the consolidated financial statements for the accounting period ending as of 30 June 2023 have been applied in a consistent manner with those used in the previous year except for the new and amended Turkish Accounting Standards (“TAS”)/IFRS and TMS-IFRS interpretations valid as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

i) Standards, amendments, and interpretations applicable as of 30 June 2023:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12- Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

IFRS 17, ‘Insurance Contracts’; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to IAS 12 - International tax reform - pillar two model rules; The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.4 New and Amended Turkish Accounting Standards (Continued)

ii) *Standards, amendments, and interpretations that are issued but not effective as of 30 June 2023:*

Amendment to IAS 1- Noncurrent 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.

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 is subject to endorsement of the standards by local jurisdictions. 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 subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group is evaluating the effects of the above-mentioned changes on its operations and will apply it as of the effective date. Once this assessment is complete, it will be possible to reliably estimate the coherent effects of the above changes.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.5 Summary of Significant Accounting Policies

Condensed consolidated financial statements for the interim period ended 30 June 2023 have been prepared in accordance with TAS 34 for the preparation of interim financial statements of TFRS. In addition, the interim condensed consolidated financial statements for the period ended 30 June 2022 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2022. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

2.6 Significant Accounting Judgements, Estimates and Assumptions

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

Provisions Related to Employee Benefits

Provisions related to defined benefit plans of the employees are determined by actuarial assumptions including discount rates, future salary increases and employee turnover rates. As these plans are long term, these assumptions contain significant uncertainties. Details on provisions for employee benefits are provided in Note 16.

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets recognised on tax loss carry-forwards and deductible temporary differences, all of which could be utilized in the taxable income in the future. Partial or fully recoverable amount of deferred tax assets are evaluated under current conditions. During the evaluation, future projected income, current year losses, due date of tax loss carry forwards and other deductible temporary differences and tax-planning strategies that would, if necessary, be implemented are taken into consideration.

With the decision of our board of directors dated 17 February 2022, our subsidiary Besler, whose capital is 100%; to be taken over with all its assets and liabilities pursuant to the simplified merger provisions regulated in Article 13 of the Merger and Division Communiqué of the Capital Markets Board No. II-23.2, Article 155 of the Turkish Commercial Code No. 6102 and Articles 19 to 20 of the Corporate Tax Law. Based on the financial statements dated 31 December 2021, it was decided to carry out the Merger transaction. With this merger, there is no obstacle in terms of deducting the existing losses after the merger within the scope of Article 9 of the Corporate Tax Law, and it is foreseen that the related losses can be used.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

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

2.6 Significant Accounting Judgements, Estimates and Assumptions (Continued)

Expected Credit Loss

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

Fair value and postponed tax on investment real estates

Real estates for investment purposes are transported in consolidated tables with their fair values. The comparison of precedent sales, substitution cost and income capitalization methods were used in the real value calculation of investment real estates.

In the calculation of the postponed tax liability arising from the investment purposes of the Group, it is concluded that the economic benefits to be obtained from investment purposes are not obtained within the framework of a business model aimed at the use of completely over time rather than the sales path. Over the temporary differences between the real value of the real estates for investment purposes and the tax value, the postponed tax was calculated by using the valid of 10% or 20% tax rates, considering the subject matter of the activity of the company to which they belong.

Real value and postponed tax on materially standing assets

Land, land, buildings, underground and surface arrangements are transported in consolidated tables with fair values. In the calculation of the real value of materials, the comparison of precedent sales, substitution cost and income capitalization methods were used.

In the calculation of the postponed tax liability arising from land, land, buildings, underground and surface regulations of the Group, it is concluded that the economic benefits to be obtained from these assets are not available within the framework of an operating model aimed at the use of completely in time rather than the sales path. Over the temporary differences between the real value of these assets and the tax value, the postponed tax was calculated using the valid of 10% or 20% tax rates, considering the subject of the activity of the company to which they belong.

2.7 Convenience Translation into English of Consolidated Financial Statements

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 3 - BUSINESS COMBINATIONS

The Group purchased 100% shares of Donuk Fırıncılık Ürünleri Sanayi ve Tic. A.Ş. that was 100% owned by Yıldız Holding A.Ş. by the amount of TRY901,301,000 on 5 May 2023. The transaction is considered as “Transactions Under Common Control” and accounted in the shareholder’s equity. The net asset acquired and the effects of transaction in equity are presented as follows:

	31 March 2023
Net Assets within the Scope of Consolidation	
Current Assets	
Cash and cash equivalents	64,752
Trade receivables	137,483,143
Other receivables	9,408,533
Inventories	38,618,131
Prepaid expenses	12,796,234
Other current assets	8,548,959
Non-Current Assets	
Tangible assets	381,947,882
Intangible assets	1,924,362
Other non-current assets	520,228
Deferred tax asset	15,149,282
Current Liabilities	
Short term financial liabilities	(27,842,050)
Trade payables	(92,154,530)
Other receivables	(11,843,566)
Employee benefit related liabilities	(37,940,512)
Deferred income	(397,302)
Short term provisions	(2,054,720)
Other current provisions	(2,721,380)
Non-Current Liabilities	
Long Term Financial Liabilities	(81,957,426)
Other non-current liabilities	(16,688,885)
Deferred income	(9,968)
Non-current provisions	(7,479,735)
Net Assets Added into the Scope of Consolidation	325,371,432
Total share of the Group ownership	100%
The portion of the net assets to the Group	325,371,432
Non-Capital equity items	182,607,925
Cash paid for the acquisition	(901,301,000)
Net Equity Impact from the Acquisition of Subsidiary	(758,537,493)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 4 - SEGMENT REPORTING

The main operations of the Group are production and distributing frozen and canned vegetables and fruits, frozen and canned sea food, frozen pastry products, croquettes, canned tuna fish and edible oil. Operating segments are determined and reported in a manner consistent with the reporting provided to the Board of Directors and their strategic decision-making processes.

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

The segment assets and liabilities for the periods 30 June 2023 and 31 December 2022 are as follows:

30 June 2023				
	Frozen and Canned	Edible Oil	Consolidation Adjustment	Total Assets / Liabilities According to Consolidated Financial Statements
Segment assets	4,683,645,357	8,921,973,789	(2,941,075,723)	10,664,543,423
Segment liabilities	3,095,870,714	5,228,173,864	(1,154,528,887)	7,169,515,691

31 December 2022				
	Frozen and Canned	Edible Oil	Consolidation Adjustment	Total Assets / Liabilities According to Consolidated Financial Statements
Segment assets	3,792,435,783	7,536,949,916	(1,259,904,339)	10,069,481,360
Segment liabilities	2,335,004,172	4,001,593,429	(355,404,339)	5,981,193,262

The segment revenues and expenses for the periods 1 January - 30 June 2023 and 2022 are as follows:

1 January - 30 June 2023				
	Frozen and Canned	Edible Oil	Consolidation Adjustment	Total
Revenue (Note 18)	2,137,035,377	4,202,116,780	-	6,339,152,157
Intersegment revenue	14,418,834	70,258,081	(84,676,915)	-
Revenue	2,151,454,211	4,272,374,861	(84,676,915)	6,339,152,157
Operating Profit (*)	272,254,940	406,319,808	(846,958)	677,727,790
Other income from operating activities	10,560,760	34,074,330	846,958	45,482,048
Other expenses from operating activities (-)	(40,080,696)	(251,004,157)	-	(291,084,853)
Operating Profit	242,735,004	189,389,981	-	432,124,985
Depreciation and amortization expense (Note 11-12)	27,579,361	30,146,948	-	57,726,309
EBITDA (**)	299,834,301	436,466,756	(846,958)	735,454,099
Investment (Note 11-12)	24,037,828	12,845,898	-	36,883,726

(*) Represents profit before other income / expense from operating activities.

(**) EBITDA has calculated by adding depreciation and amortization expenses to the operating profit before other income / expenses from operating activities.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 4 - SEGMENT REPORTING (Continued)

	1 January - 30 June 2022			
	Frozen and Canned	Edible Oil	Consolidation Adjustment	Total
Revenue (Note 18)	1,164,746,040	4,120,532,302	-	5,285,278,342
Intersegment revenue	56,225,266	105,724,522	(161,949,788)	-
Revenue	1,220,971,306	4,226,256,824	(161,949,788)	5,285,278,342
Operating Profit (*)	198,756,486	993,643,548	2,668,313	1,195,068,347
Other income from operating activities	15,331,088	22,081,776	(2,890,916)	34,521,948
Other expenses from operating activities (-)	(48,880,260)	(280,477,393)	31,982,299	(297,375,354)
Operating Profit	165,207,314	735,247,931	31,759,696	932,214,941
Depreciation and amortization expense (Note 11-12)	19,798,884	17,311,034	-	37,109,918
EBITDA (**)	218,555,370	1,010,954,582	2,668,313	1,232,178,265
Investment (Note 11-12)	16,644,993	45,068,398	-	61,713,391

(*) Represents profit before other income / expense from operating activities.

(**) EBITDA has calculated by adding depreciation and amortization expenses to the operating profit before other income / expenses from operating activities.

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES

Due to related parties, due from related parties and summary of significant transactions with related parties as of 30 June 2023, 31 December 2022 and 31 December 2021 are as follows.

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

Trade receivables from related parties	30 June 2023	31 December 2022	31 December 2021
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	242,856,787	191,619,880	136,372,715
Pasifik Tük.Ürün. San.ve Tic. A.Ş.	187,755,946	245,802,454	133,619,685
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	163,308,209	156,887,456	132,245,734
Ülker Bisküvi San. A.Ş.	120,118,992	141,427,206	16,218,314
Horizon Hızlı Tüketim Ürünleri Paz. ve Tic. A.Ş.	118,395,505	79,320,478	58,223,119
Biskot Bisküvi Gıda San. Tic. A.Ş.	54,119,402	79,974,404	9,171,906
Bizim Toptan Satış Magazaları A.Ş.	41,808,875	30,679,519	27,389,859
Önem Gıda San. ve Tic. A.Ş.	31,454,253	68,718,085	34,640,239
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	25,881,231	8,395,571	4,757,650
E Star Global E Tic. Satış Ve Paz.	17,525,108	13,017,190	9,918,541
Şok Marketler Ticaret A.Ş.	15,909,659	12,277,906	19,936,150
Ülker Çikolata San. A.Ş.	5,226,149	34,078,011	4,072,372
CCC Gıda San. ve Tic. A.Ş.	560,050	4,581,294	1,410,292
United Biscuits (UK) Ltd.	-	-	2,774,041
Other	5,531,217	1,840,157	3,529,250
	1,030,451,383	1,068,619,611	594,279,867

Trade payables to related parties	30 June 2023	31 December 2022	31 December 2021
Aytaç Gıda Yatırım San. Tic. A.Ş.	22,361,159	5,585,310	3,840,563
İzsal Gayrimenkul Geliştirme A.Ş.	3,520,869	3,016,668	2,441,442
Bizim Toptan Satış Mağazaları A.Ş.	1,622,055	-	654,964
Sağlam İnşaat Taahhüt Tic. A.Ş.	1,069,422	524,628	502,427
Önem Gıda San. ve Tic. A.Ş.	720,680	230,973	307,878
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	610,737	1,827,616	-
Polinas Plastik San. Tic. A.Ş.	314,012	-	141,202
Şok Marketler Ticaret A.Ş.	85,871	40,756	-
Adapazarı Şeker Fabrikası A.Ş.	-	523,800	-
Northstar Innovation A.Ş.	-	422,291	-
G2M Eksper Satış ve Dağıtım Hizm. A.Ş.	-	10,503	7,872,495
Other	5,818,484	1,701,211	1,383,122
	36,123,289	13,883,756	17,144,093

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

Other receivables from related parties	30 June 2023	31 December 2022	31 December 2021
Yıldız Holding A.Ş.(*)	2,165,388,504	2,180,727,211	1,226,875,218
	2,165,388,504	2,180,727,211	1,226,875,218

(*) The relevant amount consists of balances made available to Yıldız Holding for financing purposes, and these balances do not have a certain maturity. Interest rates are re-determined on a monthly basis, taking into account market conditions, and as of 30 June 2023, the average interest rates of TRY-based receivables are 27.60% (31 December 2022: 17.64%, 31 December 2021 : 17.47%).

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

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

	30 June 2023	31 December 2022	31 December 2021
Other payables to related parties			
Yıldız Holding A.Ş. (*)	1,944,312,668	690,564,222	318,735,969
Other	-	-	84,831
	1,944,312,668	690,564,222	318,820,800
Other non-current payables to related parties			
Yıldız Holding A.Ş. (**)	590,832,554	559,280,813	568,155,848
	590,832,554	559,280,813	568,155,848

(*) The relevant amount consists of balances made available from Yıldız Holding for financing purposes, and these balances do not have a certain maturity. Interest rates are re-determined on a monthly basis, taking into account market conditions, and as of 30 June 2023, the average interest rates of TRY-based payables are 27.60% (31 December 2022: 17.64%, 31 December 2021 : 17.47%).

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

The amount of collateral given as guarantor ship and mortgage within the scope of the syndication debts is TRY5,393,557,064 (31 December 2022: TRY4,549,751,297, 31 December 2021: TRY2,992,598,940).

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

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Sale of goods and services				
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	547,660,125	557,241,078	267,896,619	253,124,942
Ülker Bisküvi San. A.Ş.	524,006,134	487,571,986	245,809,089	217,566,403
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	519,578,058	430,730,847	214,511,110	223,871,048
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	455,926,284	361,791,220	256,970,904	210,412,081
Biskot Bisküvi Gıda San. Tic. A.Ş.	315,321,110	304,524,514	140,601,857	147,620,399
Horizon Hızlı Tüketim Ürünleri A.Ş.	230,492,697	178,397,893	80,169,699	67,402,627
Ülker Çikolata San. A.Ş.	182,190,783	167,709,769	75,722,457	87,265,390
Önem Gıda San. ve Tic. A.Ş.	141,561,924	108,365,624	51,281,704	52,243,281
Şok Marketler Ticaret A.Ş.	107,505,716	68,741,158	62,361,921	34,570,975
Bizim Toptan Satış Mağazaları A.Ş.	105,554,603	69,894,487	40,385,147	40,822,359
E Star Global E-Ticaret Satış ve Pazarlama A.Ş.	38,567,220	18,196,724	17,386,221	5,937,196
CCC Gıda San. ve Tic. A.Ş.	554,505	11,048,930	554,505	3,537,408
Other	12,264,077	20,510,924	5,342,691	12,010,263
	3,181,183,236	2,784,725,154	1,458,993,924	1,356,384,372

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Purchase of goods and services				
Maia International B.V.	1,870,100,685	-	704,644,210	-
Aytaç Gıda Yatırım San. Tic. A.Ş.	56,353,171	28,666,616	29,977,245	20,443,886
Yıldız Holding A.Ş.	36,412,110	34,975,689	28,499,874	16,020,923
İzsal Gayrimenkul Geliştirme A.Ş.	31,131,025	12,349,422	22,818,468	6,728,527
Pasifik Tük. Ürün. San. ve Tic. A.Ş.	7,431,821	14,698,027	7,431,821	7,514,431
Sağlam İnşaat Taahhüt Tic. A.Ş.	6,225,548	3,464,183	4,044,173	1,770,174
Bizim Toptan Satış Mağazaları A.Ş.	3,618,265	2,086,874	2,438,311	1,041,232
Önem Gıda San. ve Tic. A.Ş.	2,423,200	773,316	1,523,279	278,061
Adapazarı Şeker Fabrikası A.Ş.	1,571,881	-	-	-
G2mEksper Satış ve Dağıtım Hizmetleri A.Ş.	1,210,933	688,105	641,665	407,270
UCZ Mağazacılık Tic. A.Ş.	739,335	-	-	-
Ülker Bisküvi San. A.Ş.	601,513	470	585,859	275
Penta Teknoloji Ürün.Dağ.Tic. A.Ş.	517,574	98,215	421,717	95,321
Polinas Plastik San. Tic. A.Ş.	266,112	936,878	266,112	332,329
Şok Marketler Ticaret A.Ş.	216,569	90,815	76,853	89,815
Horizon Hızlı Tük.az. Sat.Tic. A.Ş.	22,585	3,818,039	22,585	2,833,609
Other	2,910,896	3,789,606	1,597,903	2,516,054
	2,021,753,223	106,436,255	804,990,075	60,071,907
Service, rent and other income				
Yıldız Holding A.Ş.	1,835,945	-	-	-
Bizim Toptan Satış Mağazaları A.Ş.	313,464	168,684	161,585	84,342
Sağlam İnşaat Taahhüt Tic. A.Ş.	306,303	177,763	153,151	88,882
Future Teknoloji Ticaret A.Ş.	165,926	-	82,963	-
Pasifik Tük.Ürün. San.ve Tic. A.Ş.	152,355	-	152,355	-
Other	31,436	5,804	26,436	2,902
	2,805,429	352,251	576,490	176,126
Commission and financial expense				
Yıldız Holding A.Ş.	169,406,589	69,593,039	88,224,287	25,994,588
Pervin Finansal Kiralama A.Ş.	1,753,161	820,161	915,216	590,981
Other	8,297,358	765,621	6,487,227	260,637
	179,457,108	71,178,821	95,626,730	26,846,206
Investment Income				
Yıldız Holding A.Ş. (*)	292,405,598	161,951,773	166,711,563	98,757,823
Other	1,288,023	444,000	1,041,861	374,110
	293,693,621	162,395,773	167,753,424	99,131,933

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

Key management compensation:

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

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Salaries and other benefits	45,303,469	17,445,559	14,757,520	5,931,492
	45,303,469	17,445,559	14,757,520	5,931,492

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

As of 30 June 2023, 31 December 2022 and 31 December 2021 trade receivables of the Group are as follows:

	30 June 2023	31 December 2022	31 December 2021
Current trade receivables			
Trade receivables (*)	1,073,904,005	793,441,902	456,409,918
Notes receivable	75,946,739	44,371,065	52,512,461
Provision for doubtful receivables (-)	(53,790,381)	(49,092,513)	(35,984,596)
Trade receivables, net	1,096,060,363	788,720,454	472,937,783
Trade receivables from related parties (Note 5) (**)	1,030,451,383	1,068,619,611	594,279,867
	2,126,511,746	1,857,340,065	1,067,217,650

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

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

Average maturity for trade receivables is 57 days (31 December 2022: 41, 31 December 2021: 62).

Movements of provision for doubtful receivables as of 1 January - 30 June 2023 and 30 June 2022 are as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Movement of Provision for Doubtful Receivables		
Opening balance	(49,092,513)	(35,984,596)
Charge for the year (-)	(6,472,664)	(10,168,226)
Reversals of provisions	1,774,796	959,038
End of the period	(53,790,381)	(45,193,784)

	30 June 2023	31 December 2022	31 December 2021
Short-term trade payables			
Trade payables	1,995,774,534	2,305,855,222	1,053,628,204
Expense accruals	20,095,251	-	-
Trade payables, net	2,015,869,785	2,305,855,222	1,053,628,204
Trade payables to related parties (Note 5) (*)	36,123,289	13,883,756	17,144,093
	2,051,993,074	2,319,738,978	1,070,772,297

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

Average maturity for trade payables is 79 days (31 December 2022: 62, 31 December 2021: 75).

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

	30 June 2023	31 December 2022	31 December 2021
Other Current Receivables			
Receivables from related parties (Note 5)	2,165,388,504	2,180,727,211	1,226,875,218
Receivables from tax administration	47,973,401	39,308,077	4,649,498
Receivables from personnel	10,262	51,514	41,662
Other miscellaneous receivables	50,292,468	14,638,791	1,619,029
	2,263,664,635	2,234,725,593	1,233,185,407

	30 June 2023	31 December 2022	31 December 2021
Other Non-Current Receivables			
Deposits and guarantees given	2,549,871	2,263,684	1,559,489
	2,549,871	2,263,684	1,559,489

Other Payables

	30 June 2023	31 December 2022	31 December 2021
Other Current Liabilities			
Payables to related parties (Note 5)	1,944,312,668	690,564,222	318,820,800
Other miscellaneous liabilities	254,980	74,793	2,238,098
	1,944,567,648	690,639,015	321,058,898

	30 June 2023	31 December 2022	31 December 2021
Other Non-Current Liabilities			
Non-current liabilities to related parties (Note 5)	590,832,554	559,280,813	568,155,848
	590,832,554	559,280,813	568,155,848

NOTE 8 - INVENTORIES

	30 June 2023	31 December 2022	31 December 2021
Raw materials	1,396,716,388	885,611,203	414,740,631
Work in process	525,928,236	450,778,267	197,487,518
Finished goods	317,553,717	385,355,306	229,008,333
Trade goods	39,317,077	42,384,846	13,721,703
Other inventory (*)	74,515,316	131,173,193	21,058,747
Provision for impairment of inventory (-)	(273,211)	(2,176,020)	(147,643)
	2,353,757,523	1,893,126,795	875,869,289

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

Movements of provision for impairment of inventories as of 1 January - 30 June 2023 and 1 January - 30 June 2022 are as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Opening balance	(2,176,020)	(147,643)
Charge for the year	(159,631)	(261,750)
Reversals of provisions during the period	2,062,440	34,063
Closing balance	(273,211)	(375,330)

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NOTE 9 - PREPAID EXPENSES AND DEFERRED REVENUE

	30 June 2023	31 December 2022	31 December 2021
Short-Term Prepaid Expenses			
Advances given for inventory purchases	152,214,589	383,236,150	20,627,362
Prepaid expenses	64,636,020	34,856,776	9,650,595
Business advances	28,000	26,224	20,200
	216,878,609	418,119,150	30,298,157
Long-Term Prepaid Expenses			
Advances given for fixed asset purchases	1,835,610	2,982,567	2,364,505
Prepaid expenses	3,211,290	1,362,365	536,517
	5,046,900	4,344,932	2,901,022
Short-Term Deferred Income			
Advances received	75,053,497	62,364,716	34,707,919
Deferred income	1,513,720	3,820,975	2,052,512
	76,567,217	66,185,691	36,760,431

NOTE 10 - INVESTMENT PROPERTIES

Cost Value	1 January 2023	Disposals	Change in fair value	30 June 2023
Land, Building, Plant Machinery and Devices	504,921,210	-	-	504,921,210
	504,921,210	-	-	504,921,210
Cost Value	1 January 2022	Disposals	Change in fair value	30 June 2022
Land, Building, Plant Machinery and Devices	233,906,133	-	-	233,906,133
	233,906,133	-	-	233,906,133

The Group has earned rent income from its investment properties amounting to TRY9,668,595 in the current period. (1 January - 30 June 2022: TRY5,537,496) (Note 20).

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NOTE 10 - INVESTMENT PROPERTIES (Continued)

Fair value of investment properties

	30 June 2023		
	Level 1	Level 2	Level 3
Investment properties	-	504,921,210	-
Total	-	504,921,210	-

	30 June 2022		
	Level 1	Level 2	Level 3
Investment properties	-	233,906,133	-
Total	-	233,906,133	-

As of 30 June 2023, the Group's investment properties are carried with their fair values determined by the revaluation carried out on 31 December 2022, and these fair values have been determined by an independent valuation firm holding a CMB License. The change between the fair value and cost value of the investment properties at initial recognition is included under equity. Gains or losses arising from changes in fair value in subsequent measurement periods are included in the consolidated statement of profit or loss.

The table above present the fair value hierarchy of investment properties of the Group as of 30 June 2023 and 30 June 2022. The levels of hierarchies of fair values are detailed below.

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

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

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

Valuation techniques used to derive level 2 fair values.

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

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Cost Value	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	30 June 2023
Land and land improvements	888,406,912	993,000	-	-	86,200	889,486,112
Buildings	1,354,979,885	-	-	-	215,632,124	1,570,612,009
Machinery and equipment	1,020,830,946	11,413,369	(98,875)	(2,115,764)	51,737,588	1,081,767,264
Motor vehicles	5,758,479	-	-	2,115,764	747,808	8,622,051
Furniture and fixtures	78,161,145	4,163,786	(378,471)	-	4,739,914	86,686,374
Leasehold improvements	6,771,460	916,122	-	-	21,660	7,709,242
Other tangibles (*)	59,093,473	1,260,107	(1,727,157)	-	-	58,626,423
Construction in progress	15,721,867	2,262,954	(1,342,063)	-	-	16,642,758
	3,429,724,167	21,009,338	(3,546,566)	-	272,965,294	3,720,152,233
Accumulated Depreciation	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	30 June 2023
Land improvements	(6,271,915)	(1,077,982)	-	-	(28,720)	(7,378,617)
Buildings	(289,827,069)	(17,062,634)	-	-	(22,229,675)	(329,119,378)
Machinery and equipment	(495,341,072)	(25,240,914)	98,195	-	(18,346,317)	(538,830,108)
Motor vehicles	(3,632,459)	(456,355)	-	-	(553,319)	(4,642,133)
Furniture and fixtures	(40,539,456)	(4,025,037)	238,334	-	(1,899,030)	(46,225,189)
Leasehold improvements	(4,224,855)	(356,868)	-	-	-	(4,581,723)
Other tangibles (*)	(25,991,266)	(2,010,106)	1,513,366	-	-	(26,488,006)
	(865,828,092)	(50,229,896)	1,849,895	-	(43,057,061)	(957,265,154)
Net Book Value	2,563,896,075					2,762,887,079

(*) Other tangibles comprised of refrigerators.

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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost Value	1 January 2022	Additions	Disposals	Transfers	Currency translation differences	30 June 2022
Land and land improvements	367,200,148	-	-	-	39,890	367,240,038
Buildings	635,404,722	-	-	4,866,710	99,276,674	739,548,106
Machinery and equipment	678,702,223	24,776,693	(2,202,204)	146,948	24,984,715	726,408,375
Motor vehicles	1,994,915	1,365,741	-	-	(11,818)	3,348,838
Furniture and fixtures	62,772,906	1,308,176	(158,112)	-	2,133,630	66,056,600
Leasehold improvements	5,764,028	20,625	-	-	21,660	5,806,313
Other tangibles (*)	52,773,889	6,252,231	(731,695)	-	-	58,294,425
Construction in progress	1,130,428	18,756,910	(3,040)	(5,013,658)	-	14,870,640
	1,805,743,259	52,480,376	(3,095,051)	-	126,444,751	1,981,573,335
Accumulated Depreciation	1 January 2022	Additions	Disposals	Transfers	Currency translation differences	30 June 2022
Land improvements	(1,657,802)	(233,875)	-	-	(11,792)	(1,903,469)
Buildings	(89,715,648)	(8,244,919)	-	-	(9,194,674)	(107,155,241)
Machinery and equipment	(391,585,586)	(17,765,599)	379,244	-	(7,587,054)	(416,558,995)
Motor vehicles	(1,994,915)	(10,031)	-	-	(244,650)	(2,249,596)
Furniture and fixtures	(34,565,724)	(2,070,381)	104,878	-	(815,338)	(37,346,565)
Leasehold improvements	(3,984,201)	(406,490)	-	-	-	(4,390,691)
Other tangibles (*)	(24,909,298)	(2,012,932)	666,254	-	-	(26,255,976)
	(548,413,174)	(30,744,227)	1,150,376	-	(17,853,508)	(595,860,533)
Net Book Value	1,257,330,085					1,385,712,802

(*) Other tangible assets consist of refrigerated cabinets.

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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 12 - INTANGIBLE ASSETS

Cost Value	1 January 2023	Additions	Currency translation differences	30 June 2023
Rights	26,902,435	-	3,500,210	30,402,645
Development expenses	52,377,080	15,874,388	-	68,251,468
Other intangible assets	694,962	-	-	694,962
	79,974,477	15,874,388	3,500,210	99,349,075

Accumulated Amortization	1 January 2023	Additions	Currency translation differences	30 June 2023
Rights	(17,952,500)	(468,021)	(393,099)	(18,813,620)
Development expenses	(16,737,600)	(2,450,005)	-	(19,187,605)
Other intangible assets	(694,963)	-	-	(694,963)
	(35,385,063)	(2,918,026)	(393,099)	(38,696,188)
Net Book Value	44,589,414			60,652,887

Cost Value	1 January 2022	Additions	Currency translation differences	30 June 2022
Rights	21,914,152	2,232,096	1,171,937	25,318,185
Development expenses	34,424,022	7,000,919	-	41,424,941
Other intangible assets	694,962	-	-	694,962
	57,033,136	9,233,015	1,171,937	67,438,088

Accumulated Amortization	1 January 2022	Additions	Currency translation differences	30 June 2022
Rights	(16,544,035)	(968,664)	(264,811)	(17,777,510)
Development expenses	(10,971,741)	(2,903,537)	-	(13,875,278)
Other intangible assets	(694,963)	-	-	(694,963)
	(28,210,739)	(3,872,201)	(264,811)	(32,347,751)
Net Book Value	28,822,397			35,090,337

Allocation of depreciation and amortization expenses of property, plant and equipments, intangible assets, and right-of-use assets as of 1 January - 30 June 2023 and 1 January - 30 June 2022 are as follows:

	1 January-30 June 2023	1 January-30 June 2022
Cost of sales	(45,191,502)	(25,935,342)
Marketing, sales and distribution expense (Note 19)	(8,295,345)	(6,345,649)
General administration expenses (Note 19)	(2,972,709)	(2,196,636)
Research and development expenses (Note 19)	(1,266,753)	(2,632,291)
	(57,726,309)	(37,109,918)

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NOTE 13 - GOVERNMENT GRANTS AND INCENTIVES

The Group received the Investment Incentive Certificate numbered 535745 on April 21, 2022, from the General Directorate of Incentive, Implementation and Foreign Capital of the Republic of Turkey Ministry of Economy. The validity period of the mentioned Incentive Certificate is 3 years and ends on 13 April 2025. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 2 years insurance premium employer's share support and 50% Tax Reduction. The total amount of the investment foreseen in the Investment Incentive Certificate is TRY29,113,930. As of 30 June 2023, the amount of investment realized within the scope of the incentive certificate is TRY4,868,016.

The Group received the Investment Incentive Certificate numbered 552413 on April 26, 2023, from the General Directorate of Incentive, Implementation and Foreign Capital of the Ministry of Economy. The validity period of the mentioned Incentive Certificate is 3 years and ends on 25 April 2026. The support elements foreseen in the Investment Incentive Certificate are 100% customs exemption and Value Added Tax exemption, 7 years of insurance premium employer's share support, 80% Tax Reduction and 40% Investment Contribution Rate support. Total amount of the investment foreseen in the Investment Incentive Certificate is TRY37,129,764. As of 30 June 2023, the amount of investment realized within the scope of the incentive certificate is TRY0.00.

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

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NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets and Liabilities

Contingent assets and liabilities as of 30 June 2023, 31 December 2022 and 31 December 2021 are as follows:

	30 June 2023	31 December 2022	31 December 2021
Contingent assets			
Letters of guarantees received	841,171,575	600,804,847	328,059,607
Pledges and mortgages received	1,713,670	1,736,669	6,538,670
	842,885,245	602,541,516	334,598,277

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

	30 June 2023	31 December 2022	31 December 2021
Contingent liabilities			
Guarantor ship given (*)	3,994,602,740	3,150,796,973	2,514,898,940
Mortgages given (*)	1,398,954,324	1,398,954,324	477,700,000
Guarantees given	279,182,240	279,182,240	60,225,000
Letters of guarantees given	177,100,883	142,464,125	269,776,230
	5,849,840,187	4,971,397,662	3,322,600,170

(*) Mortgages and guarantees given are given as Yıldız Holding syndication loan guarantees, Letter of guarantees given comprised of guarantees given to public institutions for various reasons.

	30 June 2023	31 December 2022	31 December 2021
Other short-term provisions			
Turnover / premium provisions	10,027,660	379,307	-
Price difference and activity provisions	9,702,678	3,397,380	1,364,269
Provisions for lawsuits	4,135,766	4,933,400	6,422,069
Related party accruals from financing	-	-	1,747,003
Provisions for other cost expenses	15,062,113	3,960,307	523,860
	38,928,217	12,670,394	10,057,201

The movements of provisions for lawsuits as of 1 January - 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Movement of provision for lawsuits		
Opening	4,933,400	6,422,069
Charge for the period	(797,634)	(1,464,369)
End of the period	4,135,766	4,957,700

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NOTE 15 - COMMITMENTS AND CONTINGENCIES

Guarantee, pledge and mortgages given by the Group

Guarantee, pledge and mortgages (“GPM”) in respect of commitment and contingencies realized in the ordinary course of business given for the interim periods ended 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023			31 December 2022		
	Original Currency	Amount	TRY Equivalent	Original Currency	Amount	TRY equivalent
A. CPMs given for Company’s own legal personality (*)	TRY	2,786,046,442	2,786,046,442	TRY	2,756,916,782	2,756,916,782
	USD	118,432,204	3,063,793,745	USD	118,432,204	2,214,480,880
B. CPMs given on behalf of fully consolidated companies		-	-		-	-
C. CPMs given in the normal course of business activities on behalf of third parties		-	-		-	-
D. Total amount of other CPMs		-	-		-	-
i) Total amount of CPMs given on behalf of the parent		-	-		-	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C		-	-		-	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C		-	-		-	-
			5,849,840,187			4,971,397,662

As of 30 June 2023, the Group has export commitments of TRY65,000,000, USD1,000,000 and EUR28,000,000 (31 December 2022: TRY160,000,000 and EUR15,781,625). The fulfillment period of export commitments is two years.

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

The bank loans of the Company and its subsidiaries which in total TRY745 million in cash and TRY202 million non-cash contingencies were moved to the level of Yıldız Holding A.Ş. through syndication. The Company’s total debt has not increased as a result of the syndicated loan, but cash and non-cash loans are moved to Yıldız Holding A.Ş. level. In addition, the Group provided guarantee to Yıldız Holding A.Ş. within the scope and limited to cash and non-cash loans belonging to the Group that are moved to Yıldız Holding A.Ş. level. Some real estates of the Group which have a market value of TRY1,398 million have been provided as a mortgage.

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NOTE 16 - OTHER ASSETS AND LIABILITIES

Other Current Assets	30 June 2023	31 December 2022	31 December 2021
Deferred VAT	180,672,557	202,323,751	55,791,602
Other	421,979	6,747,318	1,984,089
	181,094,536	209,071,069	57,775,691

Other Current Liabilities	30 June 2023	31 December 2022	31 December 2021
Taxes and funds payables	90,263,052	13,746,824	5,612,979
Other current liabilities	12,270,493	15,300,603	7,559,676
	102,533,545	29,047,427	13,172,655

NOTE 17 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of 30 June 2023, the Company's capital was issued and consisted of 66,200,000,000 shares, each with a nominal value of TRY0.01. (31 December 2022: 66,200,000,000 shares, 31 December 2021: 66,200,000,000 shares).

The Group's shareholders and their share in the capital as of 30 June 2023 and 31 December 2022 are as follows:

Shareholders	30 June 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
Yıldız Holding A.Ş.	54.27	359,245,941	54.27	359,245,941
Murat Ülker	9.98	66,079,898	9.98	66,079,898
Ufuk Yatırım Yönetim ve Gayr. A.Ş.	6.26	41,429,804	6.26	41,429,804
Other	29.49	195,244,357	29.49	195,244,357
Total	100	662,000,000	100	662,000,000

Restricted Reserves and Retained Earnings

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

As of 30 June 2023, restricted reverses are amounting to TRY37,378,874 (31 December 2022: TRY37,378,874, 31 December 2021: TRY37,378,874). There are no remaining period profit and other sources subject to profit distribution after deducting previous year's losses recorded in statutory records of the Company.

Restricted reserves	30 June 2023	31 December 2022	31 December 2021
Legal reserves	37,378,874	37,378,874	37,378,874
	37,378,874	37,378,874	37,378,874

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NOTE 18 - REVENUE AND COST OF SALES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Domestic sales	6,942,515,516	5,370,769,539	3,301,748,713	2,854,845,268
Export sales	711,061,197	704,574,724	331,066,852	416,602,438
Other income	56,947,744	70,802,479	45,935,760	18,386,940
Gross sales	7,710,524,457	6,146,146,742	3,678,751,325	3,289,834,646
Sales returns and discounts (-)	(1,371,372,300)	(860,868,400)	(650,207,019)	(487,640,891)
Net sales	6,339,152,157	5,285,278,342	3,028,544,306	2,802,193,755
Cost of sales (-)	(4,995,546,900)	(3,696,036,931)	(2,313,001,731)	(1,960,205,854)
Gross profit	1,343,605,257	1,589,241,411	715,542,575	841,987,901

NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Marketing, sales and distribution expenses				
Transportation expenses	(148,476,334)	(107,404,218)	(76,375,319)	(60,390,502)
Personnel expenses	(109,585,325)	(56,056,385)	(46,980,262)	(29,041,622)
Advertisement expenses	(103,269,734)	(61,157,356)	(48,674,127)	(24,852,527)
Tax duties and fees (*)	(33,041,958)	(15,741,211)	(15,671,958)	(7,564,211)
Outsourced benefits and services expenses	(25,869,337)	(20,639,977)	(9,550,780)	(9,988,189)
Rent expenses	(16,924,516)	(9,291,120)	(7,893,204)	(4,607,009)
Energy expenses	(11,875,252)	(10,192,520)	(4,890,683)	(6,181,003)
Depreciation and amortization expense (Note 11-12)	(8,295,345)	(6,345,649)	(4,365,084)	(4,169,623)
Export expenses	(3,479,187)	(4,131,555)	(1,543,583)	(2,059,458)
Consultancy expenses	(3,051,566)	(1,458,363)	(1,737,397)	(919,373)
Maintenance and repair expenses	(2,957,948)	(1,828,662)	(2,042,809)	(969,270)
Other	(36,959,768)	(19,485,188)	(19,072,910)	(10,371,589)
	(503,786,270)	(313,732,204)	(238,798,116)	(161,114,376)

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

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
General administrative expenses				
Personnel expenses	(64,031,203)	(28,734,221)	(31,874,639)	(14,124,168)
Outsourced benefits and services expenses	(34,079,982)	(19,970,022)	(14,365,179)	(11,049,225)
Consultancy expenses	(33,666,673)	(16,114,390)	(16,307,064)	(7,935,871)
Depreciation and amortization expense (Note 11-12)	(2,972,709)	(2,196,636)	(1,979,158)	(1,361,219)
Rent expenses	(1,874,860)	(1,271,961)	(310,857)	(642,965)
Energy expenses	(1,079,701)	(381,735)	(512,508)	(218,558)
Communication expenses	(675,412)	(476,926)	(386,005)	(314,752)
Other	(16,668,021)	(5,872,878)	(10,766,602)	(2,152,274)
	(155,048,561)	(75,018,769)	(76,502,012)	(37,799,032)

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Research and development expenses				
Personnel expenses	(5,403,595)	(2,492,483)	(3,055,351)	(1,189,214)
Depreciation and amortization expense (Note 11-12)	(1,266,753)	(2,632,291)	(774,674)	(1,363,911)
Other	(372,288)	(297,317)	(293,859)	(279,522)
	(7,042,636)	(5,422,091)	(4,123,884)	(2,832,647)

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NOTE 20 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Income from Investment Activities				
Interest income	328,910,652	145,935,784	185,294,094	82,028,009
Rent income	9,668,595	5,537,496	4,972,561	2,803,605
Gain on sale of fixed assets	1,287,239	387,876	955,472	188,068
Exchange difference income	-	42,240,103	-	5,748,335
	339,866,486	194,101,259	191,222,127	90,768,017

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Income from Investment Activities				
Exchange difference expenses	(43,645,850)	-	12,914,380	-
	(43,645,850)	-	12,914,380	-

NOTE 21 - FINANCIAL INCOME AND EXPENSES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Financial income				
Exchange difference income on loans	-	-	(21,536,305)	-
Income from derivative transactions	-	5,202,495	-	4,485,032
Discount income from financing (*)	-	-	-	(1,054,111)
	-	5,202,495	(21,536,305)	3,430,921

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Financial expense				
Interest expense	(359,595,623)	(63,004,082)	(208,454,164)	(20,192,213)
Exchange difference expenses on loans	(235,102,002)	(166,478,500)	(235,102,002)	(63,410,556)
Discount expenses from financing (*)	(23,588,022)	(4,286,550)	(6,447,202)	(4,286,550)
Commission expenses	(11,951,683)	(12,899,830)	(1,468,511)	(7,510,115)
Financial expense on employee termination benefit	(3,354,693)	(778,352)	870,381	553,015
Other	(16,002,462)	(14,503,032)	(10,818,108)	(6,971,009)
	(649,594,485)	(261,950,346)	(461,419,606)	(101,817,428)

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

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NOTE 22 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

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

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

In Turkey, the corporate tax rate is 20% as of 30 June 2023 (31 December 2022: 23%, 31 December 2021: 25%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws.

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

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

	30 June 2023	31 December 2022	31 December 2021
Current income tax liabilities			
Current income tax expense	52,398,089	228,285,116	66,143,585
Less: prepaid taxes	(94,962,770)	(143,555,173)	(87,881,301)
Current income tax liability	(42,564,681)	84,729,943	(21,737,716)

Income tax expense for the interim periods ended 30 June 2023 and 30 June 2022 comprised of the following items:

	30 June 2023	30 June 2022
Current income tax expense	(52,398,089)	(182,699,036)
Deferred tax income	7,271,109	(26,797,912)
Total tax expense	(45,126,980)	(209,496,948)

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NOTE 22 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred Tax

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

The tax rate used in the calculation of deferred tax assets and liabilities will be 25% for 2021, 23% for 2022 and 20% for 2023 taxation periods.

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

As of 30 June 2023, 31 December 2022 and 31 December 2021 the breakdown of the accumulated temporary differences related to the Group and the deferred tax assets and liabilities using the applicable tax rates are as follows:

	Total temporary differences			Deferred tax assets / (liabilities)		
	30 June 2023	31 December 2022	31 December 2021	30 June 2023	31 December 2022	31 December 2021
Provisions for employee termination benefits	198,404,533	158,197,982	62,428,493	39,680,907	31,639,596	12,485,699
Provisions for doubtful receivables	24,893,816	22,270,090	19,368,458	4,978,763	5,122,121	4,842,115
Provisions for lawsuits	4,135,766	4,933,400	6,422,069	827,153	1,134,682	1,605,517
Provision for unused vacations	19,796,003	17,593,754	7,811,275	3,959,201	4,046,563	1,952,819
Provision for impairment on inventories	273,211	2,176,020	147,643	54,642	500,485	36,911
Carry-forward tax losses (*)	330,046,461	252,433,407	524,397,988	47,237,603	34,204,370	96,700,984
Discount income from financing	(160,153,527)	(188,143,043)	(173,261,136)	(32,030,705)	(37,628,609)	(34,652,227)
Provision of performance premium	11,335,603	8,150,947	10,875,580	2,267,121	1,874,718	2,718,895
Foundation and organization expenses	927,144	927,144	927,144	185,429	185,429	185,429
Net differences between the carrying values and tax bases of investment properties	(481,190,742)	(481,190,742)	(210,175,665)	(59,375,704)	(59,375,704)	(26,368,188)
Revaluation differences on property, plant and equipment	(330,425,561)	(1,365,681,037)	(179,008,704)	(36,502,799)	(204,556,136)	(5,749,439)
Other	72,332,795	133,759,852	61,365,451	14,466,558	22,164,726	13,967,266
Deferred tax assets / (liabilities), net	(309,624,498)	(1,434,572,226)	131,298,596	(14,251,831)	(200,687,759)	67,725,781

(*) As of 30 June 2023, based on the projections and future estimations, there is no previous year loss for which deferred tax is not recognized, (31 December 2022: None, 31 December 2021: None).

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NOTE 22 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Movements of deferred tax assets / (liabilities) as of 1 January - 30 June 2023 and 1 January - 30 June 2022 are as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Opening	(200,687,759)	67,725,781
Charged to profit or loss	7,271,109	(26,797,912)
Actuarial gains recorded in equity	799,345	768,054
Revaluation difference recorded in equity	144,355,021	-
Currency translation differences	34,010,453	8,368,308
End of the period	(14,251,831)	50,064,231

NOTE 23 - EARNING PER SHARE

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Net gain for the year attributable to equity holders of the parent	52,228,543	608,656,491	(81,035,147)	280,767,609
Weighted average number of shares	662,000,000	662,000,000	662,000,000	662,000,000
Earning per share (TRY)	0.0789	0.9194	(0.1224)	0.4241

NOTE 24 - FINANCIAL INVESTMENTS

	30 June 2023	31 December 2022	31 December 2021
Associates	3,087,001	3,087,001	3,087,001
Impairment on associate shares (-)	(3,055,984)	(3,055,984)	(3,065,661)
	31,017	31,017	21,340

The Group has been accounting financial investments of Pakyağ Endüstriyel Ürünler Sanayi ve Ticaret A.Ş, and Baytom Makine Sanayi ve Ticaret A.Ş, with their cost values less impairment, The Group is in the opinion that the fair values of the shares converge to the cost less impairment values.

NOTE 25 - BORROWINGS

	30 June 2023	31 December 2022	31 December 2021
Short term borrowings			
Short term foreign currency loans	1,256,288,506	1,398,635,604	1,310,955,005
Short term local currency loans	316,551,520	160,000,000	-
Short term lease liabilities	61,043,713	32,130,775	40,272,482
	1,633,883,739	1,590,766,379	1,351,227,487
Long term borrowings			
Long term foreign currency loans	154,847,001	-	-
Long term lease liabilities	141,092,193	126,979,507	119,678,024
	295,939,194	126,979,507	119,678,024

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NOTE 25 - BORROWINGS (Continued)

As of 30 June 2023, 31 December 2022 and 31 December 2021 details of short and long-term borrowings are as follows:

30 June 2023				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Nov. 2024	9.87	1,377,865	35,644,807
EUR	Aug. 2023 - May 2025	6.06 - 9.84	48,767,965	1,375,490,700
TRY	July 2023 - Feb. 2024	9.50 - 14.20	316,551,520	316,551,520
				1,727,687,027

31 December 2022				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Feb. 2023	4.90	374,020	6,993,538
EUR	Jan. 2023 - Nov. 2023	4.1 - 6.57	69,683,842	1,391,642,066
TRY	Oct. 2023 - Nov. 2023	10.5 - 12	160,000,000	160,000,000
				1,558,635,604

31 December 2021				
Original Currency	Maturity	(%)	Original Amount	TRY Equivalent
USD	Apr. 2022 - May 2022	0.93	16,848,968	224,579,888
EUR	Feb. 2022 - Oct. 2022	3.28 - 5.50	72,008,797	1,086,375,117
				1,310,955,005

Details of short and long-term borrowings are as follows:

30 June 2023				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
TRY	July 2023 - May 2029	15.45 - 45.36	44,245,935	44,245,935
USD	Oct. 2025	5.25	5,494,386	142,137,562
EUR	Sep. 2024	3.66	558,501	15,752,409
				202,135,906

31 December 2022				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
TRY	Jan. 2023 - Oct. 2026	19.00 - 45.36	28,759,543	28,759,543
USD	Oct. 2025	5.25	6,132,500	114,873,990
EUR	Sep. 2024	3.66	774,969	15,476,749
				159,110,282

31 December 2021				
Currency	Maturity	(%)	Original Amount	TRY Equivalent
TRY	Apr. 2023 - Feb. 2026	19.00 - 45.36	34,078,693	34,078,693
USD	Oct. 2025	5.25	8,089,279	107,821,997
EUR	Sep. 2024	3.66	1,196,406	18,049,816
				159,950,506

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NOTE 26 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Currency Risk Management

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

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

30 June 2023	TRY	USD	EUR	Other
1. Trade Receivables	263,546,307	8,705,487	1,341,443	179,117
2a. Monetary Financial Assets	13,275,953	417,067	84,229	4,804
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	5,384,365	134,881	67,533	-
4.CURRENT ASSETS (1+2+3)	282,206,625	9,257,435	1,493,205	183,921
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	1,835,610	-	65,199	-
8. NON-CURRENT ASSETS (5+6+7)	1,835,610	-	65,199	-
9. TOTAL ASSETS (4+8)	284,042,235	9,257,435	1,558,404	183,921
10. Trade Payables	743,297,157	19,385,075	8,439,143	124,120
11. Financial Liabilities	1,306,883,297	3,093,338	43,498,265	-
12a. Monetary Other Liabilities	33,826,000	482,790	756,482	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	2,084,006,454	22,961,203	52,693,890	124,120
14. Trade Payables	-	-	-	-
15. Financial Liabilities	262,142,181	3,778,912	5,828,201	-
16a. Monetary Other Liabilities	31,106,418	1,202,431	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	293,248,599	4,981,343	5,828,201	-
18. TOTAL LIABILITIES (13+17)	2,377,255,053	27,942,546	58,522,091	124,120
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(2,093,212,818)	(18,685,111)	(56,963,687)	59,801
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(2,093,212,818)	(18,685,111)	(56,963,687)	59,801
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	807,081,949	33,884,980	4,545,425	-
24. Import	(1,917,089,753)	(2,648,272)	(82,199,494)	(83,900)

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NOTE 26 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	TRY	USD	EUR	Other
1. Trade Receivables	225,749,534	10,997,492	1,006,332	2,431
2a. Monetary Financial Assets	5,000,925	210,758	53,179	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	3,741,143	130,168	65,574	-
4.CURRENT ASSETS (1+2+3)	234,491,602	11,338,418	1,125,085	2,431
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	2,633,842	19,083	114,223	-
8. NON-CURRENT ASSETS (5+6+7)	2,633,842	19,083	114,223	-
9. TOTAL ASSETS (4+8)	237,125,444	11,357,501	1,239,308	2,431
10. Trade Payables	997,015,407	20,868,841	30,100,266	242,869
11. Financial Liabilities	1,436,709,302	2,410,232	69,683,841	-
12a. Monetary Other Liabilities	12,241,677	84,861	533,382	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	2,445,966,386	23,363,934	100,317,489	242,869
14. Trade Payables	-	-	-	-
15. Financial Liabilities	92,070,375	4,096,288	774,969	-
16a. Monetary Other Liabilities	21,907,320	1,169,513	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	113,977,695	5,265,801	774,969	-
18. TOTAL LIABILITIES (13+17)	2,559,944,081	28,629,735	101,092,458	242,869
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(2,322,818,637)	(17,272,234)	(99,853,150)	(240,438)
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(2,322,818,637)	(17,272,234)	(99,853,150)	(240,438)
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	1,604,889,747	90,134,420	6,347,646	69,960
24.Import	(3,630,552,985)	(2,816,628)	(205,734,897)	(429,461)

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NOTE 26 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2021	TRY	USD	EUR	Other
1. Trade Receivables	141,048,089	9,474,593	716,418	220,064
2a. Monetary Financial Assets	58,090,494	3,943,888	366,045	-
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	1,339,719	99,983	467	-
4.CURRENT ASSETS (1+2+3)	200,478,302	13,518,464	1,082,930	220,064
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	4,199,665	483	277,942	-
8. NON-CURRENT ASSETS (5+6+7)	4,199,665	483	277,942	-
9. TOTAL ASSETS (4+8)	204,677,967	13,518,947	1,360,872	220,064
10. Trade Payables	675,101,355	1,513,393	43,295,722	113,662
11. Financial Liabilities	1,337,036,910	18,805,746	72,008,797	-
12a. Monetary Other Liabilities	4,821,121	40,622	283,672	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	2,016,959,386	20,359,762	115,588,191	113,662
14. Trade Payables	-	-	-	-
15. Financial Liabilities	115,846,047	7,337,102	1,196,406	-
16a. Monetary Other Liabilities	16,035,174	1,203,029	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	131,881,221	8,540,131	1,196,406	-
18. TOTAL LIABILITIES (13+17)	2,148,840,607	28,899,893	116,784,597	113,662
19 Off-balance Sheet Derivative Instruments				
Net Asset/Liability Position (19a - 19b)	-	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(1,944,162,640)	(15,380,946)	(115,423,725)	106,402
21.Monetary Items Net Foreign Currency Assets / (Liabilities)(1+2a+3+5+6a-10-11-12a-14-15-16a)	(1,944,162,640)	(15,380,946)	(115,423,725)	106,402
22. Fair value of financial instruments used for currency hedge	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Export	728,608,180	73,219,172	7,030,652	559,897
24.Import	(1,457,515,826)	(75,113,652)	(75,403,211)	-

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity Analysis to Currency Risk

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

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
30 June 2023		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(48,380,682)	48,380,682
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(48,380,682)	48,380,682
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(160,672,858)	160,672,858
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(160,672,858)	160,672,858
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	(267,742)	267,742
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	(267,742)	267,742
TOTAL (3+6+9)	(209,321,282)	209,321,282

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2022		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(32,392,624)	32,392,624
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(32,392,624)	32,392,624
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(199,419,178)	199,419,178
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(199,419,178)	199,419,178
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	(470,062)	470,062
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	(470,062)	470,062
TOTAL (3+6+9)	(232,281,864)	232,281,864

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity Analysis to Currency Risk (Continued)

	Profit/Loss	
	Appreciation foreign currency	Depreciation foreign currency
31 December 2021		
In case of USD increases in 10% against TRY		
1- USD net asset/liability	(20,501,262)	20,501,262
2- USD hedged portion (-)	-	-
3- Net effect of USD (1 +2)	(20,501,262)	20,501,262
In case of EUR increases in 10% against TRY		
4- EUR net asset/liability	(174,136,311)	174,136,311
5- EUR hedged portion (-)	-	-
6- Net effect of EUR (4+5)	(174,136,311)	174,136,311
In case of other currencies increases in 10% against TRY		
7- EUR net asset/liability	221,309	(221,309)
8- EUR hedged portion (-)	-	-
9- Net effect of other currencies (4+5)	221,309	(221,309)
TOTAL (3+6+9)	(194,416,264)	194,416,264

Interest Rate Risk Management

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

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

Interest Position	30 June 2023	31 December 2022	31 December 2021
Fixed interest rate instruments			
Borrowings	1,929,822,933	1,717,745,886	1,470,905,511
Cash and cash equivalents (term deposits)	13,255,775	257,271,231	50,591,768
Trade receivables	2,126,511,746	1,857,340,065	1,067,217,650
Other receivables	2,266,214,506	2,236,989,277	1,234,744,896
Trade payables	2,051,993,074	2,319,738,978	1,070,772,297
Other payables	2,535,400,202	1,249,919,828	889,214,746

The Group does not have a variable interest financial instrument (31 December 2022: None, 31 December 2021: None).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 27 - CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022	31 December 2021
Cash at banks	31,684,025	271,092,913	59,878,406
- Demand deposits	18,428,250	13,821,682	9,286,638
- Time deposits (*)	13,255,775	257,271,231	50,591,768
Credit card receivables	292,142	4,031,647	5,107,552
	31,976,167	275,124,560	64,985,958

(*) The maturity of time deposit balances at banks is 3 July 2023 and the average interest rates are 40% for TRY and 0.05% for USD. (31 December 2022: in the range between 19.50% and 22% in TRY, 31 December 2021: in the range between 15.50% and 19% in Turkish Lira, 0.05% and 0.90% in USD and 0,05% in EUR).

NOTE 28 - SUBSEQUENT EVENTS

With the Bill of Law on the Amendment of Some Laws and Legislative Decree No. 375, the Establishment of Additional Motor Vehicles Tax for Compensation for Economic Losses Caused by the Earthquakes Occurred on February 6, 2023, which entered the agenda of the Grand National Assembly of Turkey on July 5, 2023, the corporate tax rate was increased by 5 points. As a result of the increase, the corporate tax rate was increased from 20% to 25% and it was proposed to terminate the regulation that exempts the income from real estate sales from corporate tax. The said law proposal was enacted on 15 July 2023.

Considering the effective date of the law, the estimated financial impact expected to reduce the deferred tax liability carried today is TRY30,943,035.

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