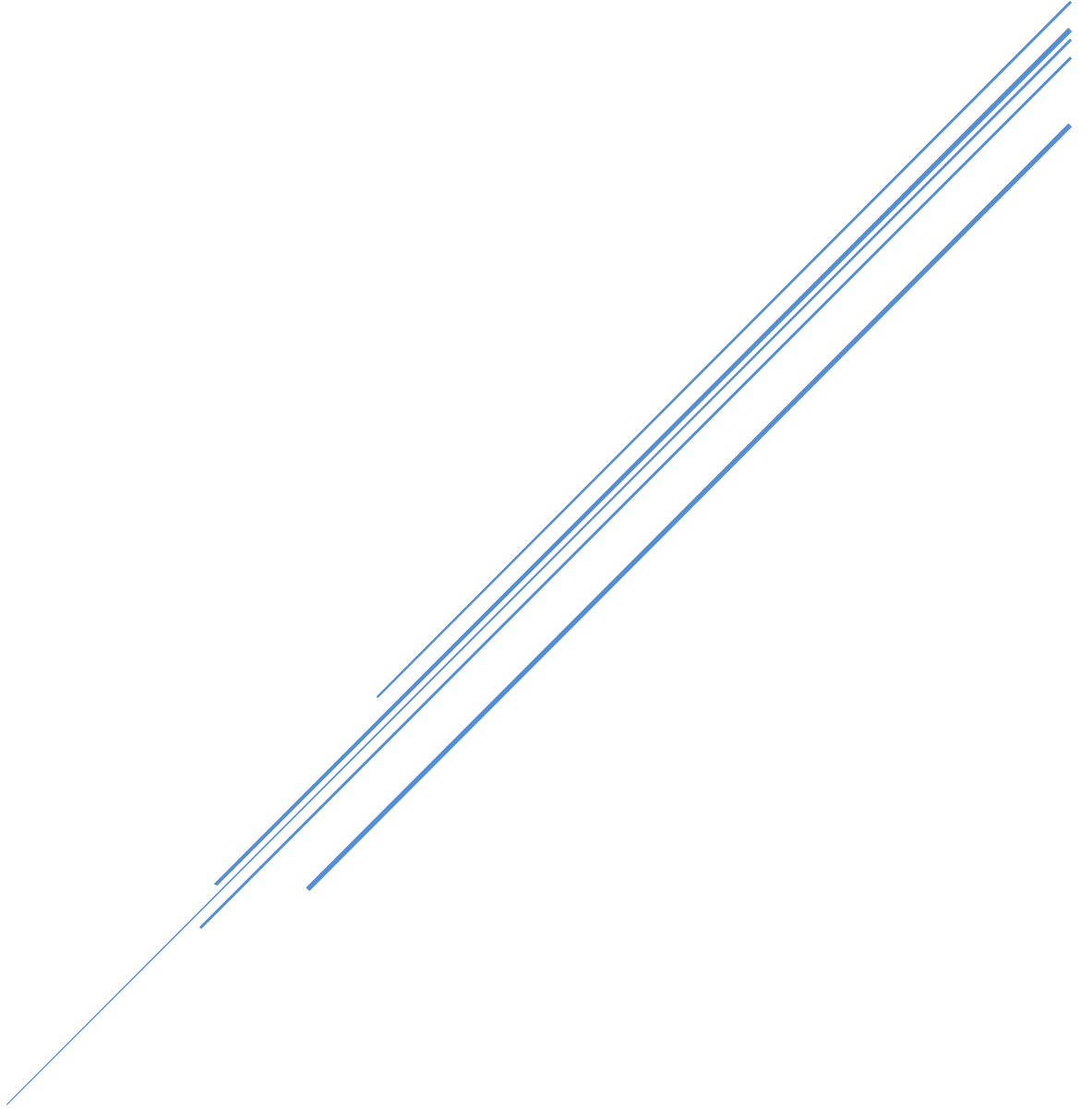


KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. AND SUBSIDIARIES

Annual Report for the Period January 1st - December 31st, 2022





**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

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

1. Opinion

We have audited the annual report of Kerevitaş Gıda Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2022 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the “TSA”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities in the Audit of the Board of Directors’ Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor’s report dated 13 March 2023 on the full set consolidated financial statements for the 1 January - 31 December 2022 period.

4. Board of Director’s Responsibility for the Annual Report

Group management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and Capital Markets Board’s (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;



- b) to prepare the annual report to reflect the Group’s operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Company after the operating year,
 - the Group’s research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor’s Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

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

Mert Tüten, SMMM
Partner

Istanbul, 13 March 2023

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Dear Stakeholders,

Operating within its parent company Yıldız Holding and achieving even further success year-on-year with its domestic and international operations, Kerevitaş concluded the year 2022 with an impressive financial growth, ever-expanding products portfolio, and a remarkable exports growth in Frozen & Canned Food and Oil businesses.

By taking over our subsidiary Besler Gıda Kimya Sanayi ve Ticaret A.Ş. on 30 June 2022, we achieved even greater agility and flexibility in our operations. Today, Kerevitaş operates with over 1,500 employees and leading brands in various categories.

As the Turkish market grows continuously in Frozen Food and Oil, which are the main areas of operation of Kerevitaş, we take pride in contributing to this growth.

In the Frozen Food business unit, our SuperFresh brand maintains its leadership with 50 percent market share and 100 percent brand recognition. Penetrating approximately 7 million Turkish households per year, SuperFresh products are served in 28 million dishes on a yearly basis.

In Oil business unit, we maintain our leadership with a turnover share over 63 percent. While continuing to lead the market with brands such as Bizim Yağ, Teremyağ, and Luna, we also have a share of 36 percent in the total oil exports of Turkey, according to the 2022 data by the Turkish Statistical Institute (TÜİK).

Duplicating this success abroad, Kerevitaş exports its products to more than 50 countries in five continents. With this exports capacity, we represent our country all around the world.

Thanks to our innovative products, 360-degree marketing campaigns, extensive and reliable distribution network, we are granted many awards in the industry. These awards truly make Yıldız Holding proud.

The success that we achieved in 2022 with the extraordinary efforts of the Kerevitaş team is also reflected in our financial statement. I am proud to announce that compared to 2021 data, Kerevitaş increased its operating profit by over 300 percent by the end of 2022. As the creators of this incredible success, our team continues to work with a focus on sustainability, accountability, transparency, and social responsibility.

Kerevitaş's strong organizational structure, its leading investments in digitalization, R&D and plans on innovation, productivity works and increasing sales, distribution, operational capacity in supply chain as part of Yıldız Holding's "Wasteless Company" model, focusing on sustainability, environment-friendly approach, and reducing waste in production and consumption. In full confidence that Kerevitaş will continue its growth in the following years, I extend sincere thanks to all stakeholders for their contribution and support.

Mehmet TÛTÛNCÛ

Chair of the Board

Dear Colleagues,

As Kerevitaş, we are delighted to conclude another year as the leader of the Frozen & Canned Food and Oil industries in Turkey.

As you may see in this Annual Report that summarizes our initiatives and success in 2022, we continued our local and international growth trend thanks to our innovative approach and global reach. As of the end of 2022, the consolidated turnover of our Frozen & Canned Food and Oil business units reached 12.3 million TL with a year-on-year increase of 153 percent.

In Frozen & Canned Food business unit, we reach consumers via more than 70 thousand points of sale throughout Turkey, while also excelling in managing our production, sales, and distribution network with approximately 200 vehicles, around 25 thousand refrigerators, and 57 vendors. We also contribute greatly to the Turkish exports capacity through our sales abroad. On the other hand, we maintain our leadership in the Oil market as well with 55 brands, 576 SKUs, and 63.2 percent market share.

As always, we continued to hear the market's expectations, to meet our consumers' expectations, and to become the #1 provider of innovative products both locally and internationally in 2022. With this approach in mind, we created many innovative products and campaigns. In Frozen & Canned Food business unit we launched new products such as Toasted Pizza Sandwich with Chocolate, Perfetto Pizza, Pizza King 2 Pieces, low-weight Hamburger Meatballs, Pepperoni Burger, Green Burger, Rolled Pastry with Spinach and Chickpeas, Rolled Pastry with Leeks and Carrots, Oven-baked Crispy Ravioli, Thin Cut Fries, and Tuna Mix. We also increased our household penetration with products like Super Mix that are specially developed to ever-growing e-commerce channel. Our communication campaign "A SuperFresh Journey with Chef Refika Birgöl" that was designed to promote our renewed and expanded product portfolio has been very successful since day one. With many successful products and campaigns, we received numerous awards at listings such as Mixx Awards, MMA SMARTIES TÜRKİYE, İstanbul Marketing Awards, and NielsenIQ Bases.

Duplicating this success in Oil business unit, we launched innovative products such as Ülker Bizim Meal Base. Through communication campaigns including Pastry Is What We Do program on YouTube and cooperation with the popular food application Delicious Recipes, we reached a wide audience both in consumer and out-of-home areas. In addition to being rewarded by organizations such as Harvard Business Review and Stars of the Food, we also became one of the most popular brands of Mediacat two weeks in a row.

In parallel to these commercial operations and successful results, we continued to work in line with Yıldız Holding's "Wasteless Company" model, focusing on sustainability, environment-friendly approach, and reducing waste in production and consumption.

This success is a result of the efforts of more than 1,500 employees, as well as our suppliers, distributors, vendors, business partners, and all stakeholders. In full confidence that we will launch many other innovations, we work with the same dedication to perform as successfully in 2023.

Mert ALTINKILINÇ

CEO

I. BUSINESS SCOPE OF THE COMPANY

Kerevitaş manufactures frozen, canned food and oil products and sells and markets these products in Turkey and in foreign markets. The products in the frozen product category are: bakery products, vegetable and fruit products, potato and croquette products, meat products, sweets, frozen bakery products and ready meals. Canned product categories are canned tuna, canned vegetables and ready meals. In the oil category, there are consumer margarine, out-of-home consumption and cooking oil products.

The leading company in the Turkish frozen food industry, Kerevitaş offers its products to its customers under the SuperFresh brand. The company has been exporting to European countries, America, Turkic Republics and Arabian Peninsula countries since 1978.

Kerevitas products its frozen and canned food products in its factory located on a closed area of 43.000 m² and consisting of 6 main production facilities, built on an open area of 131.000 m² in Bursa Akçalar Neighborhood, and in its factory located on a closed area of 33.000 m² on an open area of 253.000 m² in Afyon Emirdağ. The products produced after production with high technology are kept in high-capacity frozen, cold and dry air warehouses in Bursa and Afyon facilities. Kerevitaş consistently improves its production infrastructure in line with customer needs and expectations.

With 24.100 freezers at more than 70,000 locations in the domestic market, the company also has a strong sales and marketing network with 195 distribution vehicles. The company has a sustainable sales and marketing network thanks to the strong bond it has established with 57 dealers in the domestic market. Thanks to the high international brand recognition of its parent company, Yıldız Holding, Kerevitaş has rapidly expanded its reach in markets around the world and is consistently reinforcing its sales and marketing organization in international markets.

Kerevitaş is the only company in the domestic market with products in all categories in the frozen food and canned food business operating under the SuperFresh brand. SuperFresh brand maintains its leading position in the Frozen Food Market with a 50% turnover market share. (Source: AC Nielsen Total Turkey Excluding Discount Markets, 2022) Today, SuperFresh has 100% brand awareness. Considering the household preferences, it is the brand that enters the most households in Turkey among branded products.

Oil department carries out the sales and marketing of these products in Turkey and foreign markets by producing in the fields of oil and margarine. Under the main categories of consumer margarine, EDT (Pastry/Catering and Industrial Oils) and Edible Oils; the company produces and sells a total of 55 brands and 576 SKUs, especially Bizim Yağ, Teremyağ, Luna, Ona, Ustam, and Evet.

Oil Department has a capacity of 658,000 tons/year at its 3 facilities in Adana, Istanbul and Brunei. The Marsa Adana plant has the largest single area installed in Turkiye.

II. SHAREHOLDING STRUCTURE

The shareholding structure of the Company as of December 31, 2022 is as follows:

Partnership	31 December 2022		31 December 2021	
	Share Ratio (%)	Amount (TRY)	Share Ratio (%)	Amount (TRY)
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

Performance of Shares

The closing price of the shares traded on the Stock Exchange Istanbul with the KERVT code as of December 30, 2022, was TRY 17,50. The company's shares are quoted in the BIST INDUSTRIAL / BIST BURSA / BIST FOOD, BEVERAGE / BIST YILDIZ / BIST 100-30 / BIST 100 / BIST SUSTAINABILITY / BIST ALL SHARES indices.

III. BOARD OF DIRECTORS

Name-Surname	Position	Office Term
Mehmet TÜTÜNCÜ	Chairman	27.04.2021-27.04.2024
Ali ÜLKER	Vice President	27.04.2021-27.04.2024
Hüseyin Avni METİNKALE	Member	27.04.2021-27.04.2024
Vehbi MERZECİ	Member	27.04.2021-27.04.2024
Ahmet Murat YALNIZOĞLU	Member (Independent)	27.04.2021-27.04.2024
Ceyda AYDEDE	Member (Independent)	27.04.2021-27.04.2024

Limits of Authority

Board's limits of authority is set in accordance with the Article 13 of Company's Articles of Association as well as provisions of Turkish Code of Commerce. Board Members do not have any activities subject to the restriction of competition in their transactions with the company on behalf of themselves or someone else. Detailed information about board members are provided below;

Mehmet Tütüncü

Chairman

Mr. Mehmet Tütüncü received his bachelor's degree in Mechanical Engineering Department at Gazi University, and master's degree in Industrial and Organizational Psychology from Maltepe University. He attended various studies including the Production, Quality Control and Maintenance Applications for 6-months in Italy, with IRI scholarship, Strategic Marketing in Harvard Business School, as well as others in IMD/Switzerland, Insead/Singapore.

Began his career as an engineer at Construction Works Department of Ministry of Education in 1981, Mr. Tütüncü served as Production Manager, Facility Manager and General Director, respectively, at Best Rothmans Entegre Sigara ve Tütün Sanayi A.Ş from 1987 to 1996. He

joined Yıldız Holding as Facilities Coordinator at Ülker Gıda A.Ş. in 1996. He served as General Director of Ülker Biscuit and Chocolate factories, Vice President of Ülker Group, President of Food and Drink Group, President of Food Group, and President of Ülker International Group. He assigned as Regional CEO responsible for Turkey, Middle East, North Africa and Central Asia in pladis organization formed in Yıldız Holding in 2016. In 2017, he undertook the responsibilities for South Asia and Latin America regions, pladis Global IT Systems, and Business Models Transformation, continued to serve as Vice CEO. Since October 2018, he has been Vice Chairman, Chairman and CEO of Yıldız Holding. A Board Member of TÜGİS, Tütüncü also has memberships in many Turkish and foreign industrial organizations. He is a member of FoodDrinkEurope Board of Directors and FoodDrinkEurope Liaison Committee.

Ali Ülker

Vice Chairman

Born in 1969, Ali Ülker is a graduate of Istanbul Men's High School, received his bachelor's degree in Economics and Administrative Sciences Department of Bosphorus University. He attended various studies at IMD, INSEAD, Wharton and Harvard. He worked with De Boccard & Yorke Consulting Company on the Internal Kaizen Study (1992) and the IESC Sales System Development and Internal Organization Project (1997).

Began his business career as an intern at Quality Control Department of Ülker Gıda A.Ş. Mr. Ali Ülker served as intern, sales manager, sales coordinator, product group coordinator and product group manager in chocolate production facilities and Atlas Gıda Pazarlama A.Ş. between 1986 and 1998. Serving as General Director of Atlas Gıda Pazarlama A.Ş. in 1998 and Vice President for Retail Group in 2000, Mr. Ülker also assumed the role of General Manager in Merkez Gıda Pazarlama A.Ş. in 2001. He was assigned as Food Group Vice President in 2002, and President of Ülker Group in 2005. Having served as Vice Chairman of Yıldız Holding since 2011, Mr. Ali Ülker is currently Chairman of Yıldız Holding, since 29 January 2020.

Having a solid knowledge and experience in marketing and sales discipline, Mr. Ülker has a special interest in innovation, supporting the teams within the Group working on this subject. He speaks English and German. Mr. Ali Ülker is married with three children.

Hüseyin Avni Metinkale

Board Member

Mr. Hüseyin Avni Metinkale received his bachelor's degree in Management Engineering Department of Istanbul Technical University. He began his business career as Project Manager at Albaraka Türk Katılım Bankası in 1985, and then served as Managing Partner at Pripack Ambalaj A.Ş. He joined Yıldız Holding in 2001, since when he served as Committee President, Executive Board Member, and President of Packaging Group, and General Director of Yıldız Holding between 2008 and 2020, and General Secretary of Holding Board of Directors between 2010 and 2020. Appointed as CEO of Kökler Yatırım Holding A.Ş. in 2020, Mr. Metinkale has been serving as Board Member of Kerevitaş since 2017.

Vehbi Merzeci
Board Member

Born in 1975 in Istanbul, Mr. Vehbi Mezeci received his bachelor's degree in Business Administration Department of Uludağ University and speaks English. He held offices as Committee President of Istanbul Chamber of Commerce, as Assembly Member and Vice President of STG (Aquaculture Promotion Group) Board of Directors. He is currently Vice Chairman of Aquaculture and Animal Products Exporters' Association and Industrial Board Member at Istanbul Union of Exporters' Associations, as well as Assembly Member of TIM (Turkish Exporters' Assembly).

Ahmet Murat Yalnızoğlu
Board Member (Independent)

Born in 1957, Murat Yalnızoğlu is a Senior Industry and System Engineer, graduated from Istanbul Men's High School, Bosphorus University and University of Florida. He began his professional life as an entrepreneur in IT systems and software development in 1982. He joined Arthur Andersen and Andersen Consulting companies as a management consultant focused on information technologies in 1989. Then he directed consulting projects in strategy and organizational development for leading companies of Turkey, as a senior manager, founder and partner at Coopers&Lybrand and ArGe Consulting companies. Since 2006, he has been focusing especially on the design of effective corporate structures in large multi-business corporations. He delivered many projects to improve the effectiveness of Board of Directors, maintain correct organization of the corporations "from the beginning", ensuring significant development. In addition to the management consulting, he held office as Board Member in many companies. He shares his management knowledge with non- governmental and professional groups, institutions, and at numerous seminars and conferences, as well as on social media, to help spread the benefits of "excellent" management.

Ceyda Aydede
Board Member (Independent)

Ceyda Aydede graduated from Industrial Engineering and began her professional career at Arthur Andersen. Aydede later served at various levels in Migros. Founding the Global Tanıtım in 1989 by combining his professional experience in different industries with a professional public relation approach, Ceyda Aydede has led and delivered many important public relation projects for more than 25 years. Thanks to these projects, Mrs. Aydede and Global Tanıtım earned many prestigious awards. She is also the winner of the "Most Successful Business Woman" award in Public Relations Sector, organized by Dünya Newspaper in 2000, and "Best Professional Representing the Sector" award by Ankara Public Relations Association and ATO in 2001. Giving lectures on public relations to master's students at Yeditepe University, Aydede has published books in public relations field.

Board's limits of authority is set in accordance with the Article 13 of Company's Articles of Association as well as provisions of Turkish Code of Commerce.

The benefits made available to the Board Members and top executives are outlined below.

	1 January - 31 December 2022	1 January - 31 December 2021
Remunerations and other benefits	32,946,310	17,188,984
	32,946,310	17,188,984

IV. SUBSIDIARIES

The details of the subsidiaries of the Group as of 31 December 2022 and 31 December 2021 are provided below.

	Direct and indirect effective ownership ratios %	
	31 December 2022	31 December 2021
Subsidiaries		
Kerpe Gıda Sanayi ve Tic. A.Ş.	100.00	100.00
Besmar Gıda Sanayi ve Ticaret A.Ş.	100.00	-
Berk Enerji Üretimi A.Ş.	88.17	88.07
Marsa Yağ Sanayi ve Tic. A.Ş.	70.00	70.00
Western Foods and Packaging SDN BHD (*)	70.00	70.00
Besler Gıda Kimya Sanayi ve Ticaret A.Ş. (**)	-	100.00

(*) The Group has an indirect share in the related company.

(**) Kerevitas Gıda Sanayi ve Ticaret A.S. has decided on consolidation in a simplified manner by taking over Besler Gıda Kimya Sanayi ve Ticaret A.S. which is its subsidiary with its decision of the board of directors dated 17 February 2022 and on 17 June 2022, it applied to Istanbul Registry of Commerce for merger. The application of the Company was approved by the Istanbul Trade Registry on 30 June 2022 and the merger was registered as of 30 June 2022.

V. ORGANIZATIONS OTHER THAN CENTRAL ORGANIZATION

The distribution of products in the frozen and canned food business line is carried out with 57 dealers throughout Turkey. In the oil business; sales of consumer products are carried out by Yıldız Holding companies, Horizon in the traditional channel, Pacific in the modern channel, and Tekozel companies in the PL channel. Industrial, pastry, and catering sales are handled by G2m Dağıtım Pazarlama ve Tic A.Ş., one of the Yıldız Holding companies, together with the company's own sales organization and distributor structure. The company also exports to more than 50 countries by its own sales organization.

VI. MATERIAL EVENTS DURING PERIOD

Kerevitas Gıda Sanayi ve Ticaret A.S. has decided on consolidation in a simplified manner by taking over Besler Gıda Kimya Sanayi ve Ticaret A.S. which is its subsidiary with its decision of the board of directors dated 17 February 2022 and on 17 June 2022, it applied to Istanbul Registry of Commerce for merger. The application of the Company was approved by the Istanbul Trade Registry on 30 June 2022 and the merger was registered as of 30 June 2022.

Within the scope of the resolution of the Company Board of Directors, regarding the establishment of Besmar Gıda Sanayi ve Ticaret A.Ş. with a fully owned capital of TRY 50,000, a company to be engaged in production and trade, marketing, export of all kinds of food products, including all kinds of agricultural and animal products, all kinds of oil and fat products, the registration and establishment procedures of Besmar Gıda Sanayi ve Ticaret A.Ş. has been completed.

VII. EVENTS AFTER THE PERIOD

The Law No. 7438 Amending the Social Insurance and General Health Insurance Law and the Decree Law No. 375 came into force after being published in the Official Gazette No. 32121, dated March 3, 2023. Studies to measure the effects of this issue on the Group's operations, cash flows and financial position in 2023 are still ongoing as of the date of this report.

JCR Eurasia Rating has assigned "AA- (tr)" long term national rating for Kerevitaş Gıda San.ve Tic. A.Ş. and "J1+ (tr)" short term national rating with "Stable" outlook. JCR Eurasia Rating has assigned "BB" long term foreign and local currency international rating for Kerevitaş Gıda San.ve Tic. A.Ş. with "negative" outlook.

VIII. INDUSTRY OF THE COMPANY AND ITS PLACE IN THE INDUSTRY

Frozen Food Industry;

The frozen food sector, which is among the main business lines in which Kerevitaş operates, is a food industry branch that operates from the supply of raw materials suitable for freezing, (seed selection, production, purchase) to transporting raw material to the facilities under suitable conditions, from being stored in the premises to selection, picking, washing, sizing and processing with product-specific techniques and to the monitoring of customer results as a result of storage, loading, transportation, distribution, and consumption, by deep freezing and being packed in the appropriate ways and techniques.

According to Turkish Food Codex, "quick frozen food" means the food in which the maximum crystallization temperature zone is exceeded as soon as possible, depending on the type of product, provided by a suitable freezing process known as quick freezing, where all points of the product are at -18°C or lower after the temperature has reached a constant value and in which this situation is constantly maintained and marketed in such a way as to carry these characteristics.

Fast freezing process is the finest food preservation method for preserving food quality, flavor, smell, and nutritional content. Food is stored in its most natural state thanks to quick freezing at -40°C , which freezes the water in the foods into ice crystals and inhibits the microorganisms that cause spoilage from growing, as well as limiting chemical and biological changes. Cold storage, cold transportation and similar processes which must be implemented in order for the foodstuffs

that need to be kept in a cold environment to maintain their compliance with the food safety criteria and their properties at every stage, starting from the production stage to consumption, such as shipping, storage and sales, is called "Cold Chain". Maintaining the temperature of -18°C in all links of the Cold Chain from production to shipment and sales point is of high importance for our frozen product groups. Consumers who purchase food kept in -18°C cabinets at retail locations are advised to put them in their home freezers or cook them within 2 hours.

Today, fruits and vegetables processed using the IQF (Individual Quick Freezing Process) technique in frozen food facilities, are frozen individually by deep-freezing. With this method, the raw materials supplied from the source and in the season are cleaned and individually frozen at -40°C cold in a short period of 5-8 minutes by applying IQF. The procedure involves freezing the water in the products, giving them a lengthy shelf life without the usage of chemicals. Freezing food: This is the process of freezing cell sap together with the ingredients that make up the food without cracking the core membrane, by applying the IQF method. Since the products are collected in full season and frozen in their freshest form and at low temperatures, they retain their freshness and nutritional value until the moment of consumption.

Frozen food investments began in Turkey in the early 1970s for export, and the Frozen Food Market began to flourish in 1990, with Kerevitaş's goods being sold to the domestic market for the first time. Today, it has become a category that is sold in both retail and out-of-home consumption channels, including different categories such as Pizza, Pastry, Puff Pastry, Ravioli, Pita, Vegetable-Fruit, Potato & Potato Croquettes, Desserts, Meat Products and Coated Products, Canned Products and Frozen Bakery. Reaching 6 times the value in the last 6 years, the Retail Frozen Food Market has reached a value of 6 billion TL* in 2022 with a growth of +94% compared to the previous year.

Since the 1930s, this market has grown to nearly \$290 billion per year. Consumption per capita is over 20 kg in countries such as the U.S., Germany and the UK. In the Frozen Food and Canned Food Turkey market, the annual per capita consumption is 5.2 kg, which shows that there is growth potential.

Vegetable Oil/Fat Industry;

The production of vegetable oil in the world is mainly covered by palm oil, as well as soy, rapeseed and sunflower. In our country, a large part of the oilseed and vegetable oil production is obtained from sunflower. Other than that, cotton seed (chewed), soy, rapeseed, aspire, corn, and olive are among the key ingredients used for vegetable oil production. Margarine is the fat category most open to branding. Sunflower oil is the largest category of the market.

The Turkish consumer oil market has grown by 97% in 2022 and reached a value of TRY 36.7 billion**. The margarine category, which is the most open to branding oil category, reached a value of 5.1 billion TL with a growth of +111% in turnover.

*Source: Nielsen Total Turkey, Fresh Frozen Food Market Report 2022

**Source: Nielsen Total Turkey, Oil Market Report 2022

IX. GOODS AND SERVICES PRODUCTION ACTIVITIES

Frozen and Canned Food Business Unit

Production

Operating under the SuperFresh brand in the frozen and canned food segments, the Company has an advanced production infrastructure in this business line. The Company's products in this field; Frozen Pizza, Pastry, Puff Pastry, Ravioli, Pita, Vegetable-Fruit, Potato & Potato Croquettes, Desserts, Meat Products and Coated Products, Frozen Bakery and Canned Products.

Canned product category includes canned tuna, corn and vegetables. The production of Kerevitaş products is carried out in its factory located on a closed area of 43.000 m² and consisting of 6 main production facilities, built on an open area of 131.000 m² in Bursa Akçalar Neighborhood, and in its factory located on a closed area of 33.000 m² on an open area of 253.000 m² in Afyon Emirdağ. The products produced after production with high technology are kept in high-capacity frozen, cold and dry warehouses in Bursa and Afyon facilities. Kerevitaş consistently improves its production infrastructure in line with customer needs and expectations. As a result of the precautions and hygiene standards taken during the Covid-19 process, both factories in Bursa and Afyon Emirdağ, were entitled to receive the TSE COVID-19 Safe Production Certificate.

Kerevitas Quality Management System, ISO 9001 System, which started to work in 1994, was certified in 1997 and was finally audited in 2022 and secured with TS EN ISO 9001: 2015 Quality Management System Certificate. Food Safety Management System studies started in 1997 by applying the HACCP Principles. The system was certified with the TS 13001- HACCP Food Safety Management System Certificate in 2003, and was finally audited in 2022 and food safety was guaranteed under the name of TS EN ISO 22000 Food Safety Management System. Kerevitaş, which has decided to establish an Integrated Management System (ISO-9001, ISO-22000, ISO-14001 and ISO-45001), carries out its activities in this direction. Our establishment has an internationally valid Food Safety System documented by the Global Standard for Food Safety BRCGS (Brand Reputation through Compliance Global Standards). Both factories in Bursa and Afyon Emirdağ have BRCGS certificate and FSMA module. Kerevitaş is subject to Turkish Standards Suitability audit with SuperFresh Frozen Peas, Garnish, Beans, Cauliflower, Broccoli, Onions, Okra, Kidney Beans, Spinach, Corn, Potatoes, Hamburger Meatballs, Puff Pastry, Ravioli, Pizza, Pie and Superton Tuna Canned Products and it is under Turkish Standards Institute Quality Assurance with TSE Conformity Documents. In line with the studies started in 2011, Kerevitaş product groups were certified by TSE as Halal Food in 2012. Meat and meat products, grain and cereal products (bakery products), fruit and vegetable products, fish and fish products group products have Halal Food certificates. Kerevitaş, which has adopted the principle of working healthy and safe at all stages from the field to the fork within the scope of BRCGS, ISO 22000 Food Safety Management System and ISO 9001 Quality Management System, attaches great importance to human health and customer satisfaction. Kerevitaş, which received its first Vegan certificate in 2017 in line with consumer sensitivities, has Vegan product certificates for 3 products under the SuperFresh brand as of 2022.

Sales and Marketing

With 24.100 freezers at more than 70,000 locations in the domestic market, the company also has a strong sales and marketing network with 195 distribution vehicles. The company has a sustainable sales and marketing network thanks to the strong bond it has established with 57 dealers in the domestic market. Thanks to the high international brand recognition of its parent company, Yıldız Holding, Kerevitaş has rapidly expanded its reach in markets around the world and is consistently reinforcing its sales and marketing organization in international markets. Kerevitaş is the only company in the domestic market with products in all categories in the frozen food and canned food business operating under the SuperFresh brand. SuperFresh brand is by far the leader in the Frozen Food Market with a 50% market share. Today, SuperFresh has a 100% brand awareness. Considering the household preferences, it is the brand that enters the most households in Turkey among branded products. Every year, we visit 7 million households in 28 million dishes. In terms of consumer perception; this year, it maintained its position as the category leader in all brand image scores, especially with the statements "leading & expert brand in frozen food". SuperFresh has made the 684 SKU available to customers in the retail, export, commercial, and out-of-home consumption channels. In 2022, it brought a breath of fresh air by adding 19 new products to its portfolio that would support its innovative and leading brand stance, brought it into communication with channels such as TV and digital, and steered the sector.

To serve this purpose; new chocolate type of Pizza Tost entered the product family which inserted first pizza that can be cooked in sandwich maker in Türkiye, and it is aimed to clinch the leadership in Pizza. Perfetto Pizza (2 SKU: Pepperoni and Mushroom and Meksika Biberi) which is differentiated from its category with its multiple fought; Pizza King with Cheddar-SOK and Pizza King Mix-A101 and Pizza King 2-pack and low-weight Veal Burger projects were implemented as a solution to the increasing shelf prices for discount market customers. The 'Ton mix' (3 SKUs) was launched, which will make a difference in the ravioli category with its oven-cooking feature, which will be positioned as a healthy meal in the Baked Ravioli & ton category. It is aimed to direct consumer needs and increase household penetration by developing channel-specific products (E-commerce: Super mix). In line with the strategic goal of becoming a leader in the branded market by growing in the Meat category, which is the fastest growing and largest category of the market; Soudjouk Burger and Green Burger were launched, which will be the first in the new value-added Burger category that is not in the market. Opportunity to differentiate with gourmet onion rings and different pastry formats and varieties in the market has been seen, SuperFresh Spinach & Chickpea and Leek & Carrot Rose Pies were launched with the aim of closing the price gap with PL and strengthening its position in the pastry market with value-added varieties. Thin Cut Potatoes (2 SKUs) with its innovative approach in the category with its new form and enjoyable eating experience in the potato category, and re-launched Stone Oven Pizzas (2 types with Gourmet & Cheddar) with its renewed dough, delicatessen made of beef, and plenty of tomato sauce brought movement to the market.

As SuperFresh, the leading brand that directs the frozen food market, it is aimed to explain the journey of frozen food from the field to the plates in all details, breaking new ground in its category with more than 50 years of expertise with 'Refika Birgül ile SuperFresh Bi'Yolculuk' Communication Campaign.

From harvest to technology, from product variation to taste, the documentary series and advertisements in which SuperFresh brand trust is underlined and all processes are conveyed through the famous chef Refika Birgül, consisting of 5 episodes (Harvest, Trust, Technology, Diversity, Taste), answering the questions by consulting the experts of the relevant subject, shedding light on the known wrongs, were broadcasted in December. It is supported by a 360 integrated communication plan, which is supported by channels such as TV, radio, outdoor, in-

store, e-commerce, as well as the digital main channel. At the end of the project, in December, compared to the same period of the previous year, +3 points of turnover and market share and high increases in many metrics (brand health scores, digital monitoring metrics, etc.). With this success, the success of being on the Youtube Ads Leaderboard in the Q4 period was achieved.

In 2022, the SuperFresh Pizza Toast Project was awarded the Bronze award in the 'Integrated Advertisements' category at the Mixx Awards. At the MMA SMARTIES TURKEY awards, the SuperFresh Pizza Toast with Cheddar Cheese launch project won a Silver award in the 'Product/Service Launch' & 'Social Media Marketing' categories. SuperFresh Tuna with Sunflower Oil was awarded the ITQI Superior Taste Award.

It was awarded in the category of Frozen products within the scope of the Stars of Food Award ceremony held by Yıldız Technical University Food Engineers Student Club. Our 'Zero Food Loss from Soil to Plate' project was deemed worthy of a Gold award in the field of 'Sustainability Activities in Production Processes' at the Istanbul Marketing Awards, where the activities of institutions in their marketing processes are evaluated. In addition to these, in NielsenIQ Bases - Best Innovations Research 2022, Pizza Tost was awarded with the 'Brand Grower' profile as Turkey's Most Successful Brand Growing Innovation Award.

SuperFresh is active with in-store promotional activities. The company has grown its presence in the e-commerce industry, which is rapidly used by consumers, through product listings, special promotions, and special product packages.

In social media channels; The phenomenon, which will reach new users by serving brand awareness, loyalty and conversation, continued to exist in digital media with media collaborations and projects. It has been interacting with its consumers throughout the year on channels where the target audience has spent a long time.

Distribution

Kerevitaş, which has a strong domestic distribution infrastructure in frozen and canned food under the Kerevitaş brand, manages sales and distribution with strong and knowledgeable exclusive distributors. Kerevitaş stands out with its strong logistics chain in the fields of frozen and canned food and the diversity of its product range. The Company ensures that the products reach the consumers with the specific deep-frozen cabinet investment it has made under the Kerevitaş brand since 1990, based on the concept that the most important factor in the frozen food market is the precise positioning of the items. These cabinets are delivered to points of sale that make a turnover above certain amounts in exchange for a loan of use agreement. The cabinets in question are used only for Kerevitaş products and are inspected by Kerevitaş.

Export

Kerevitaş has a wide range of products on a global scale in the frozen food and canned food business line, which it operates with the SuperFresh brand. Kerevitaş sells frozen food and canned food to more than 50 countries on five continents, owing to its commitment to strict adherence to international quality standards and product diversity.

Aiming to expand its distribution network and expand its portfolio with new customers, Kerevitaş participated in the world's largest and most prestigious international food fairs, Dubai Gulfood (February 13-17) and Paris Sial (October 15-19).

Kerevitaş was awarded the most successful exporter of the last 3 years, by being selected first in the category of "Frozen Products" at the Export Winners 2022 Award Ceremony organized by the Istanbul Exporters' Association, with its sales tonnage.

Retail

Kerevitaş has a broad range of products in the retail product group on Frozen Food and Canned business line. The Company's products in this product group range from vegetable and fruit products to bakery products, potato and croquette products.

Out-of-home

Kerevitaş's out-of-home consumption products in the frozen food and canned food business range from potatoes, vegetables & fruits, ravioli, puff pastry, pizza, pastry to tuna and canned varieties.

Kerevitaş attended the Anfaş 28th International Food and Beverage Specialization Fair in January and the "Culinary Forum" event in March, where approximately 5,000 gastronomy students attended. In the last quarter, it took part in the Gastromasa fair (19-20 November), where industry professionals came together and world-renowned chefs also participated.

In cooperation with Big Chefs; we entered in the snack menu with "Potato and croquettes", and in the salad menu with "tuna fish".

Oil Business Unit Department

Production

Kerevitaş began operating in the oil business after being acquired by Besler Gıda. The company produces oil and margarine at three facilities: one in Adana, one in Istanbul, and one in Brunei. With a total capacity of 658,000 tons/year at its three facilities, the Company's Marsa Adana Factory is the production facility with the largest single-site capacity in Turkey. Kerevitaş carries out the sales and marketing of these products in Turkey and foreign markets by producing in the fields of oil and margarine. Under the main categories of consumer margarine, EDT (Pastry/Catering and Industrial Oils) and Edible Oils; the company produces and sells a total of 55 brands and 576 SKUs, especially Bizim Yağ, Teremyağ, Luna, Ona, Ustam, and Evet, in its three facilities, which it has structured in the light of international quality standards. The company, which has been an example in the oil industry since the year it started production, started its work by deciding to establish an Integrated Management System (ISO-9001, ISO-14001 and OHSAS-18001) in 1999, and set an example for other industrial organizations as the first company in its sector to receive three certificates. It has maintained its leadership in quality by obtaining AIB (American Institute of Baking) in 2012 and ISO 22000 Food Safety Certificates in 2013. In 2014, it received the ISO 50001 Energy Management System Certificate and became one of the leading companies in the sector in the fields of energy management and sustainable work. There is an internationally valid Food Safety System documented by the BRC (British Retail Consortium). In 2021, it was given Vegan Certificate for 1 product. In 2022, it was given ISO 17025:2017 Test Laboratory Accreditation Certificate.

Sales and Marketing

With its main brands Bizim Yağ, Teremyağ, and Luna, which are managed with a strong consumer insight focus, Kerevitaş Oil Department, which is the clear leader with a 63,2% share in the margarine industry, where local and foreign players are present, directs the market (Source AC Nielsen Year 2022– Turnover Share wo HD). The oil business unit mainly carries out its sales processes through Yıldız Holding distribution companies.

Ülker Bizim Yağ, the most consumed branded product in the market, with the most households and the most loyal consumers, consolidated its leadership in the package market in 2022 with a 31% turnover share (Source: AC Nielsen Total Türkiye wo HD 2022 Package Margarin Turnover Rate, Ipsos HTP 2022). Bizim Yağ, the brand with the highest number of followers in FMCG Food, strengthened its first place in FMCG Food in Turkey with its strategic influencer collaborations and new generation digital communication, reaching 421 thousand followers and breaking its own record.

As a first in Türkiye, Bizim Yemek Bazi containing oil, tomato paste, onion, garlic and spices, adding pleasure and flavor to the meals, is on the shelves. With tomato paste and pesto varieties, the product met the consumer with the concept of “all in one”. Launch communication started on 14 December with intense influencer cooperation. A total of 10 million reach was achieved and +10 thousand followers were gained.

With the strategic communication and food launch communication on the Hamur Bizim İsimiz Youtube channel, the number of subscribers has reached 264 thousand, and this platform has risen to 3rd place in the FMCG Food ranking.

Bizim Yağ has been featured on the online platform of the most prestigious business and management magazine, Harvard Business Review, with its success story as the clear leader of the oil market and the most powerful digital brand. Bizim Yağ came first in the oil category with the votes of thousands of students in the "Stars of Food" competition organized by Yıldız Technical University Food and Healthy Nutrition Club.

Ülker Teremyağ, the market leader in the bowl margarine segment, maintains its clear leadership in 2022 with a turnover share of 51%. (Source: AC Nielsen Total Turkey wo HD 2022 Bowl & Liquid Margarine Turnover Share). Known by its consumers as the flavor twin of butter, Teremyağ is the brand of margarine that hits the most households and maintained its category leadership in the image score of "has the best butter taste" in 2022. Teremyağ which is the most innovative brand in the category in terms of both product and communication, became the 3rd most followed brand in the FMCG Food category in 2022 with its flavor-oriented and differentiated content strategy on Instagram, which is the digital channel with the highest access and where the target audience spends a lot of time. Content collaborations were realized with the Delicious Food Recipes channel, which is the most visited by the target audience and has +10 million followers and subscribers, and average viewing of the videos is 1.5 million, and the access is 1.1 million.

Bizim Yağ and Teremyağ were the most talked-about brands in Mediacat with their social media content for 2 weeks in a row.

The long-established brand of the market, Luna, started to be sold through Kerevitaş with the change of sales company in 2021. In 2022, it increased its market share in the national channel by +6 points compared to the same period of the previous year, and reinforced its position as the 3rd bowl brand with a 9% market share. (Source: AC Nielsen Pacific 2022 Bowl Margarine Tonnage Share).

Marsa, a subsidiary of Kerevitaş, is the leading brand in the market with “Ustam Pastry Oils” in the category of Non-Household Consumer products, pastry oils. Ustam's market position is being strengthened by a diverse product portfolio that covers all needs in the pastry sector, as well as convenience of use, flavor, and effective communication. Thanks to advanced technology and specially developed product prescriptions, Ustam is the first brand in the industry that does not contain trans oil.

Ustam is engaged in audience-oriented (pastry masters) communication in order to increase the loyalty of the target audience, to reach new users, and to be the first brand that comes to mind in purchasing preferences, by carrying its leading and visionary stance in the non-household consumption market to digital platforms. Brand communication is strengthened with the use of advertisements and advertorial advertisement contents (FoodinLife, Gastronomi, Patisserie by FoodinLife) in Türkiye's leading sectoral magazines with the highest distribution.

Marsa participated in the Ibaktech Fair, which is the world's second largest fair in its field, in March. At Ibaktech, which was held with the participation of thousands of local and foreign visitors, Ustam demonstration chefs prepared 30 different flavors with Ustam products for their visitors.

In line with the vision of being "the brand that trains the pastry chefs of the future" with Ustam; the students of Balıkesir Fennur Sözen Vocational High School, İzmir Erdinç Ahmet Cengiz Vocational High School and Eskişehir Anadolu University were trained with our chefs.

Marsa is also Turkey's leading margarine exporter. According to Turkish Statistical Institute data, Marsa accounts for 34% of Turkey's total margarine exports.

Today, Marsa is a leader in many export markets, thanks to its strong brands and broad product portfolio that meets market needs. It takes use of sales opportunities on Alibaba, the world's largest B2B platform, and participates in the world's top food fairs in order to maintain its position as Turkey's premier margarine exporter and grow its distribution network with new customers.

In 2022, it attended Gulfood Dubai, Prodexpo Russia, Umman Food and Hospitality, Sial Paris, Singapur FHA Horeca, Dubai IME and Israel ISRAFOOD fairs. More than 25 new customers in the consumer margarine, pastry and industrial categories have been included in the portfolio.

Ona, the star brand of Marsa in exports has been the clear leader in the consumer margarine category in the Middle East and Central Asian markets for many years. In Iraq, where it was the clear leader in January; a commercial film "Ona, A Wave of Taste That Surrounds Kitchens" met with consumers on TV. In the Uzbekistan market, where it aims to grow, it broadcast a short film on outdoor digital screens with the aim of reminding the brand. In the Middle East market, a new sub-brand “Ona Gourmet Cream Flavor” was launched with the leader Ona brand. Ona Gourmet Cream Flavor is a first in the market.

Distribution

Sales of domestic consumer products in Kerevitaş oil business line are carried out by Yıldız Holding companies, Horizon in the traditional channel, Pacific in the modern channel, and New Tekozel in the PL channel. More than 115,000 points are reached with consumer products. Eksper Gıda, one of the Yıldız Holding subsidiaries, handles industrial, pastry, and catering sales, as well as the Company's own sales organization and distributor network. Export is carried out to more than 50 countries by the company's own sales organization.

Export

According to TUIK data for the year 2022, Kerevitaş realized 36% of Turkey's oil exports in more than 50 countries in five continents in the categories of consumer, pastry, catering and food.

Consumer Products

Ona, Luna, Sabah, Bizim Yağ, Teremyağ, Evet, Evin, Yayla, Halk brands

Out-of-Home Consumption

- Pastry and Catering Oils

Ustam, Usta, Proser, Teremyağ ve Bizim Yağ markaları

- Industrial Oils

Akbis, Akrim, Akyağ, Arma, Mars, Akao, Spy, Besler, Bes, Beska, Bizim

- Edible Oils

Sabah, Evet, Bizim Bereket

X. ADMINISTRATIVE ACTIVITIES

a) Managerial Staff

Our company's top executives and their roles are shown in the following table.

Mehmet Tütüncü	CEO	Yıldız Holding
Mert Altıncı	CEO	Oil Business Unit, Frozen Food and Canned Food Business Unit
Özhan Nuri Özeseñli	Vice President-Supply Chain	Frozen Food and Canned Food Business Unit
Gülizar Öcal	CMO- Marketing	Oil Business Unit, Frozen Food and Canned Food Business Unit
Ufuk Kasar	Director - Financial Affairs	Frozen Food and Canned Food Business Unit
Adnan Kaplan	Director - Financial Affairs	Oil Business Unit

Uğur Tendik	Director - Sales	Marsa
Ali Ertuğrul Yemiş	Director - Sales	Frozen Food and Canned Food Business Unit
Kerem Çetin	Director-R&D&Business Development	Frozen Food and Canned Food Business Unit
Hatice İçeli	Director-R&D&Business Development	Oil Business Unit
Murat Turan	Director - Human Resources	Oil Business Unit, Frozen Food and Canned Food Business Unit
Hülya Karalı	Director-Information Technologies	Oil Business Unit, Frozen Food and Canned Food Business Unit

b) Information about Personnel

Company has 1,584 employees as of 31 December 2022. (31 December 2021: 1,565)

XI. SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

SUMMARIZED BALANCE SHEET (TRY)

	Independently Audited Current Period	Independently Audited Previous Period
	31 December 2022	31 December 2021
ASSETS		
Current Assets	6,736,659,549	3,272,199,465
Fixed Assets	2,792,843,259	1,449,847,908
TOTAL ASSETS	9,529,502,808	4,722,047,373
LIABILITIES		
Short-Term Liabilities	4,763,075,366	2,455,866,002
Long-Term Liabilities	965,415,784	684,245,719
Shareholder's Equity Total	3,801,011,658	1,581,935,652
TOTAL EQUITY	9,529,502,808	4,722,047,373

SUMMARIZED INCOME STATEMENT (TRY)

	Independently Audited Current Period	Independently Audited Previous Period
	1 January - 31 December 2022	1 January - 31 December 2021
Revenues	12,331,352,913	4,865,330,171
Gross profit	2,712,830,674	976,893,074
Gross profit margin	22.00%	20.08%
Operating Profit (*)	1,838,179,856	535,727,955
Operating profit margin	14.91%	11.01%
EBITDA	1,912,433,170	594,638,257
EBITDA margin	15.51%	12.22%

(*) Operating profit before other incomes and expenses from main operations.

XII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Within the framework of the provision of Article 18 of the Capital Markets Law and the "Registered Capital System Communiqué" of the Capital Markets Board numbered II.18-1; It has been decided to increase the capital ceiling of our Company which is TRY31,200,000 for TRY2,000,000,000 and in order to determine a new 5-year period (2022 - 2026), to be submitted to the approval of the shareholders at the first general assembly meeting to be held, it has been decided to Amend the 7th article of our Articles of Association titled "Capital" and additionally, 4th article titled "Purpose and Subject of the Company" and 11th article titled "Establishment of the Board of Directors and Committees to be Established", and an application has been made to the Capital Markets Board in order to obtain appropriate opinions and permissions. The approval of the Capital Markets Board regarding the draft amendment to the Articles of Association has been received as of 18 October 2022, submitted to the approval of the shareholders at the Extraordinary General Assembly meeting dated 28 December 2022 and the General Assembly Decision was registered and the process was completed on 9 January 2023.

XIII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT FOR 2022

SECTION I- STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Capital Market Board ("CMB") made certain Corporate Governance Principles mandatory for the companies quoted in the Borsa Istanbul (BIST) with the "Corporate Governance Communiqué" on the basis of Article 17 of Capital Market Law No 6362 of 06.12.2012, and Corporate Governance Communiqué No II-17.1 of 03.01.2014. To this end, it is exactly decided to ensure compliance with the mandatory requirements of CMB. Our works are continuing to ensure the compliance with non-mandatory requirements of relevant communiqué.

The reasons for non-application of those Corporate Governance Principles are provided below:

No model or mechanism is created for participation of stakeholders in the management. However, independent board members make it possible for Company and shareholders as well as all stakeholders to be represented in the management. Company considers the opinions and suggestions of the personnel, suppliers, various non-governmental organizations as well as all other stakeholders.

Some of the Board Members hold office in multiple committees.

Pursuant to Article 4.6.5 of Corporate Governance Principles, remunerations and all other benefits made available to the Board Members and top executives are publicly disclosed via annual activity report. However, the disclosure is not based on individual, rather an aggregated format expressed as the benefits made available to the Board Members and top executives.

There is no provision of Articles of Association that entitles shareholders, acting as an individual, to request General Assembly to conduct a private audit. Turkish Code of Commerce and Capital Market Board regulations are considered to be adequate in terms of assignment of private auditor. Each shareholder's right to request private audit is respected in line with the regulations of Turkish Code of Commerce No 6102 which came into force on 01.07.2012.

Although the principles in exceptional nature, that have not yet been implemented, has not yet led to any conflict of interest among stakeholders, they are planned to be implemented as part of a process.

We aim at ensuring full compliance with the non-mandatory Corporate Governance Principle, however, full compliance could not be ensured because of practical challenges in some of the principles, with others not fully accommodating the current structure of the market and Company. Our Company is working on the principles that are not yet implemented, planning to implement them after finalization of administrative, legal and technical infrastructure to ensure contribution to the effective management of the Company.

As required by the CMB Decision No 2/49 of 10.01.2019, Corporate Governance Compliance Reporting No II-17.1 will be made over KAP platform using Corporate Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. You can find relevant reports on <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1002-kerevitas-gida-sanayi-ve-ticaret-a-s>.

Corporate Governance Principles Report are made publicly available on <https://www.kerevitas.com.tr/tr/yatirimci-iliskileri/yatirimci-iliskileri>

SECTION II – SHAREHOLDERS

2.1 Investor Relations Department

Investor Relations are managed by Investor Relations Department reporting to the Head Office. This Unit is under management of Mr. Serkan Yandı who has Capital Market Activities Level 3 License and Corporate Governance Rating License.

Main activities of the unit include:

- Informing shareholders about activities of the Company,
- Answering the questions of shareholders about exercise of Company or partnership rights,
- Communicating all necessary special circumstances disclosures to all investors via Borsa Istanbul, CMB and Public Disclosure Platform (KAP) by also considering the Special Circumstances Communique of CMB.
- Preparations of the General Assembly, delivery of the necessary documentation to shareholders, and organization of the General Assembly Meetings,
- Keeping up-to-date with legislative amendments, informing relevant units about them,
- Carrying out the works as part of the Public Disclosure Platform and Central Registration System applications, overseen by Capital Market Board, as well as Corporate Management Principles.

Investor Relations Unit carries out local and international promotion of our Company to natural and legal person investors, and provide prospective investors and shareholders information via phone, fax and yatirimci@kerevitas.com.tr. e-mail address.

Investor Relations Unit

Serkan YANDI – Investor Relations Director

Ufuk KASAR – Financial Affairs Director

Contact Details of Investor Relations Unit

Phone: 0216 524 23 92 / 0850 209 18 31

E-mail: yatirimci@kerevitas.com.tr

2.2 Shareholders' Right to Information

Written and verbal requests of the shareholders for information are satisfied, except for the business secrets and information not made publicly available. All information required for exercise of shareholding rights healthily are made shareholders available in annual activity reports, special circumstance disclosures and via personal requests. Article 16 of the Articles of Association provides information on the procedures and principles for the audit of company. No request has been received from the shareholders for the assignment of private auditor in 2022.

2.3 General Assembly Meetings

Our Company holds e-General Assembly on the same date and simultaneously with the physical General Assembly in accordance with the Article 1527 of the Turkish Code of Commerce No 6102 of 13.01.2011(TTK) which provides for that attending the general assemblies of joint stock companies electronically, including but not limited to the proposals, delivery of opinions and voting, have same legal consequences of physical attendance and voting, and that existence of an electronic attendance and voting system in general assemblies is mandatory for companies listed on the Stock Exchange. Two General Assembly meetings were held during the year, the Ordinary General Assembly meeting for 2021 on April 28, 2022 and the Extraordinary General Assembly meeting on December 28, 2022. Following the meeting, the minutes of the general assembly meeting and the list of attendees were announced on the same day on the Company's official website, <https://www.kerevitas.com.tr/tr>, and on the Public Disclosure Platform. Following the meeting, the minutes of the general assembly meeting and the list of attendees were published on the Company's website.

2.4 Voting Rights and Minority Rights

Pursuant to Articles of Association, each share has one voting right.

Shareholders may attend the General Assembly meetings electronically pursuant to Article 1527 of Turkish Code of Commerce. Company may setup an electronic general assembly system which will enable Shareholders to attend the General Assembly meetings, to deliver their opinions, to furnish suggestions and exercise their voting rights or may purchase service of systems set up for such purposes pursuant to the provisions of Regulation on Electronic General Assembly Meetings of Joint-Stock Companies. Pursuant to foregoing article of Articles of Association, at all general assembly meetings, shareholders and their proxies shall be allowed to exercise their rights provided in the provisions of said Regulation over such a system set up.

There is no privileges granted for the share groups and shares of the Company capital. There is no mutual subsidiary relation between Company and any of its shareholder. No accumulated voting method is used by the Company.

In the Articles of Association, there is no provision which prevents persons who are not shareholders from voting in proxy acting as a representative.

2.5 Dividend Rights

Company has a specific and consistent dividend policy in accordance with the Turkish Code of Commerce, Capital Market Board, tax laws, and other applicable legislation, as well as the Company's Articles of Association. This policy is presented to shareholders for approval at the general assembly meeting, provided in the activity report, and publicly made available on the website of the Company.

Dividend Distribution policy of our Company is defined by considering the our Company's strategies, operational performance and financial status, and market developments in accordance with the provisions of Turkish Code of Commerce, Capital Market Legislation, Tax Legislation and other applicable legislation, as well as article of our Articles of Association concerning the dividend.

Our Company adopts the policy of distributing minimum 10% of the net distributable period profit as dividend in the form of cash and/or bonus share for each account year with the proposal of Board of Directors, and approval of General Assembly, subject to the changes that may be made by them, and the applicable legislation in Turkey, by also considering the cash flow requirements of the company.

The profit distribution proposal of our Board of Directors, also specifying the details as required by the dividend policy, regulations of Capital Market Board, and the Corporate Governance Principles is made publicly available on the website of our company and Public Disclosure Platform.

This policy is subject to annual review of Board of Directors to consider any changes in the national and global economic conditions, and current projects and company's financial resources.

Dividend Distribution policy observes a balance between interests of the shareholders and interests of the company. In line with the dividend distribution policy of the Company, profits are distributed to entire shares as of the distribution date. Our company does not have dividend advance application in place.

2.6 Transfer of Shares

Our Articles of Association does not have provisions that prevents shareholders from transferring their shares freely, or restricts the share transfer.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1 Corporate Website and Its Contents

Company website has the addresses of www.kerevitas.com.tr, as well as webpage at <https://www.kerevitas.com.tr/tr/yatirimci-iliskileri/yatirimci-iliskileri> which is dedicated to the Company's investor relations. The following information are published on the website of the Company in order to inform shareholders:

- Information about Company
- Information about Board of Directors
- Corporate Documents (Committees, Policies, Articles of Association, Related Party Reports, Share Issuance Documents, Ethical Principles, Sustainability Committee Duties and Working Principles)
- Financial Statements and Footnotes
- Annual Activity Reports
- Presentations for Investors
- Special Circumstance Disclosures
- General Assembly Details
- Company's Shareholding Composition
- Information Society Services

3.2 Annual Report

Company's activity report is prepared in such detail so that shareholders and public can access full and accurate information about the activities of the Company in accordance with the Corporate Governance Principles as defined in the Serial: II-17.1 "Corporate Governance Communique" as well as the legislative requirements.

SECTION IV – STAKEHOLDERS

4.1 Informing Stakeholders

In the cases where rights of stakeholders are not regulated by legislation or agreement, interests of the stakeholders are protected under good faith rules and using the means available to the Company by also observing the reputation of Company.

In addition, Company personnel is provided with the access to circulars and announcements via Intranet of the Company with certain important announcement directly and immediately e-mailed to all personnel.

Company has no practice in place which may prevent stakeholders from reporting all illegitimate and unethical transactions of Company to the Corporate Governance Committee or Supervisory Committee. Said Committee are accessible by all stakeholders via any communication channels they may prefer.

4.2 Participation of Stakeholders in Management

According to Articles of Association, Board of Directors is composed of minimum five and maximum seven members, which are selected by General Assembly upon the proposal of various shareholders in line with the provisions of Articles of Association. Board of Director is composed of six members, two of whom are independent members. Stakeholders are informed through regular meetings.

4.3 Human Resources Policy

Company has created a human resources policy which is effectively in place. In this respect, recruitment policies, career planning, personnel development and training policies, etc. are implemented under the Personnel Regulation. All rights of the Company personnel are taken under assurance so that they will not be exposed to any discriminative practices or harsh treatments. There is no complaint in terms of discrimination lodged against the human resources policy of Company in place.

The main criteria forming the policy of Company's Human Resources Policy include:

- To assess performance of all personnel, and handling the success criteria in parallel with these assessments,
- To ensure a transparent management,
- To maintain easy access to management,
- To ensure personnel have convenience to express and share their ideas,
- To attach importance to the job discipline,
- To ensure all personnel work in a team spirit.
- To guarantee equal opportunity among the successful personnel in terms of training, benefits, remuneration and career,
- To organize social activities.

4.4 Ethical Rules and Social Responsibility

Carried out with the responsibility, service awareness and experience as a requirement of food industry, the social responsibility activities are geared towards contributing value to the social needs in the highest level and quality. In this respect, all measures for the prevention of the environmental pollution that may arise from the production activities have been put in place, including the treatment facilities which meet the legal requirements. In addition, internship requests from secondary and higher education institutions as a required by Turkish education system are being satisfied to the maximum level with the awareness of importance of high-quality qualified workforce. Ethical rules adopted by Yıldız Holding are implemented throughout holding members including the Company, which are made available to the shareholders on the website in accordance with the information policy.

SECTION V - BOARD OF DIRECTORS

5.1 The Structure and Composition of the Board of Directors

Company's Board of Directors is composed of six members. Following the General Assembly Meetings where board members are elected, Board of Directors elects the Chairman and Vice Chairman with a decision.

Board of Directors include executive and non-executive Members. Most of the Board Members consists of non-executive member. Non-executive Board Members include the Independent Members who satisfy the criteria set by Capital Market Board regulations, are qualified to carry out his/her tasks without any influence, can spare time to Company affairs sufficient to follow up the activities and to completely fulfill the requirements of the role he/she assumes.

General Assembly approval is required for the Chairman and Board Members to carry out the Company activities in person or on behalf of others, and to partner with companies which carry out such activities under the relevant Articles of Turkish Code of Commerce.

Board Members of the company are as follows.

Name-Surname	Position	Office Term
Mehmet Tütüncü	Chairman	27.04.2021 – 27.04.2024
Ali Ülker	Vice Chairman	27.04.2021 – 27.04.2024
Hüseyin Avni Metinkale	Board Member	27.04.2021 – 27.04.2024
Vehbi Merzeci	Board Member	27.04.2021 – 27.04.2024
Ahmet Murat Yalnızoğlu	Independent Board Member	27.04.2021 – 27.04.2024
Ceyda Aydede	Independent Board Member	27.04.2021 – 27.04.2024

DECLARATION OF INDEPENDENCE

Joint "declaration of independence" of Independent Board Members is provided below.

DECLARATION OF INDEPENDENCE

I herein declare for the information of our Board of Directors, shareholders and all relevant parties, that I am willing to take office as a "Independent Member" at the Board of Directors of Kereviş Gıda Sanayi ve Ticaret A.Ş. ("Company") in accordance with the criteria set under the Corporate Governance Principles as defined in the Articles of Association, and by Capital Market Board, and in this context;

that, in the last five years, there has been no business relations in the nature of employment in director position assuming directly or indirectly important tasks and responsibilities, capital or particular importance between myself, my spouse, and my relatives by blood and marriage up to second degree and the Company, any related parties of Company, or legal persons that have relations in terms of management or capital with shareholders of the company holding directly or indirectly 5% or above shares in the Company capital.

that, in the last five years, I have not worked, or held office as a board member for the companies which provided services for entire or certain part of the organization of the Company under the agreements, notably of those companies which provided the audit, rating and consulting services to the Company,

that, in the last five years, I have not been a partner, employee or board member to any of the companies which provide Company a significant level of services and products.

that I have no more than 1% of shares in the capital, and these shares are not privileged ones. that I have the professional education, knowledge and experience which will enable me to fulfill duly the tasks that I will undertake due to my office as Independent Board Membership,

that I am not currently holding a full-time office in public institutions and organizations, and I am considered as a Turkey-resident according to Income Tax Law,

that I have the strong ethical standards, professional reputation and experience, allowing me to contribute positively in company activities, maintaining my impartiality in interest conflicts between Company and shareholders, freely decide by considering the rights of beneficiaries,

that I will spare my time to company affairs, sufficient to follow up company activities and completely fulfill the requirements of tasks that I assumed.

I hereby declare for the information of our Board of Directors, our partners and all relevant parties.

5.2 The Working Principles of the Board of Directors

Board of Directors performs and executes the tasks assigned to them by provisions of Turkish Code of Commerce, Capital Market Board, Articles of Association and the decisions passed by company's General Assembly on such matters. All acts and actions which do not require General Assembly resolution pursuant to provisions of applicable legislation and Articles of Association are performed by Board of Directors. While performing its tasks and responsibilities, Board of Directors may assign some of them to Company Committees and/or Company Managers, without releasing them of their responsibility for these matters.

Company's Board of Directors passed 35 (thirty five) decisions at the meetings held between 01.01.2022 and 31.12.2022. Board of Directors convenes in such frequency so that it can perform its tasks effectively. Chairman, other Board Members sets the agenda of Board Meeting in consultation with CEO/General Director.

Board of Directors convenes with the majority of total number of members and resolutions are passed by the majority of members present in the meeting. In case of a tie, that subject will be deferred to the next meeting. If tie still cannot be broken in the second meeting, then said proposal shall be deemed to have been rejected. In activity period 2022, there were no dissenting opinions concerning the decisions passed by the members of the Board of Directors.

5.3 The Number, Structure and Independence of the Committees Established by the Board of Directors

5.3.1 Supervisory Committee

The duty of the Supervisory Committee is to ensure that financial and operational activities are carried out in sound manner. Reporting to the Board of Directors, the Committee aims at controlling the accounting system and publicly disclosing financial data of the Company and

overseeing the working and effectiveness of the internal control system. Supervisory Committee composed of Two Independent Board Member convenes at least four times a year. Supervisory Committee convened 4 (four) times during 2022. Head of Supervisory Committee is Ahmet Murat YALNIZOĞLU, and Committee Member is Ceyda AYDEDE.

5.3.2 Corporate Governance Committee

A Corporate Governance Committee is formed in line with the "Capital Market Board Corporate Governance Principles Communiqué". Corporate Governance Committee follows up the works and management processes in line with the Corporate Governance Principles of CMB. Board of Directors did not form a separate Nomination Committee and Remuneration Committee due to its structure, whose tasks are assumed by the Corporate Governance Committee. Corporate Governance Committee convenes at least four times a year. Corporate Governance Committee convened 4 (four) times during 2022. Head of Corporate Governance Committee is Ceyda AYDEDE, and Committee Members are Ahmet Murat YALNIZOĞLU and Serkan YANDI.

5.3.3 Early Detection of Risk Committee

Early Detection of Risk Committee is formed to carry out works under the Board of Directors required for early detection of the risks that may jeopardize the existence, development and continuity of the Company, for taking measures for the identified risks and managing the risks pursuant to "Capital Market Board Corporate Governance Principles Communiqué". Committee convenes at least quarterly and submits meeting results to Board of Directors. Early Detection of Risk Committee convened 6 (six) times during 2022. Head of Early Detection of Risk Committee is Ahmet Murat YALNIZOĞLU, and Committee Member is Hüseyin Avni METİNKALE.

5.4 Risk Management and Internal Control Mechanism

The activities of the risk management of the Company is overseen by the Early Detection of Risk Committee. In addition, company is subject to regular audit of the audit units of its parent company Yıldız Holding A.Ş. as well as independent audit firms. The findings of these audits are communicated to Supervisory Commission Members as well as other Board Members. The workflows and procedures of the Company, authorities and responsibilities of our personnel is taken under control and subject to continuous audit within the framework of risk management.

5.5 Strategic Goals of Company

To be a company that, first of all, respects customers, where personnel from every level participates in the management, adopting the continuous and widespread training, respecting the laws and environment, that is progressive, innovative keeping abreast with the technological development in its industry, committed to continuously improve quality/HACCP Management System without compromising quality and food safety under any circumstances. To reinforce its leadership position in the industry by identifying and meeting the demands and expectations of the customers in the best manner possible. The policies and goals are necessary to achieve this goal, requiring all personnel in every unit and level work in full compliance with Quality/HACCP Management System. The target of the company is to do its entire business meticulously in every stage from sourcing of the raw materials up to the points where the end products are delivered

to the customers. In entire process from seed to the table, its first priority is to contribute value to all its stakeholders.

Company aims at launching digitalization projects in order to be leader pioneering in ways of doing business and digitalization in the industry, to ensure continuous growth and success, for continuous development, to translate business strategies into practice in the fastest and best manner, to do business with lower cost and higher efficiency, to make the lives of stakeholders, customers, consumers and personnel easier, add value to them and earn their hearts.

Company sets long-term goals for itself, as well as devise three-year strategic plans and annual budgets in parallel with these goals. Performance assessments are conducted according to the predefined goals at the end of every activity period.

5.6 Financial Rights

The remuneration principles of our company's executive directors are documented, which is presented to shareholders for their information as a dedicated agenda item at the Ordinary General Assembly meeting held on 20 July 2019, and also published as part of activity report of Company on the corporate website. No benefits are made available to the Chairman and Board Members, other than the remunerations and attendance fees defined by General Assembly. The remunerations of Board Members are determined by General Assembly separately for each of them by considering the financial position of the Company. Among the Board Members elected at the Ordinary General Assembly held on 28 April 2022, only the independent members are decided to be paid with a monthly remuneration of TRY8,000. No lending is made to Board Members and director, no credit in the form of personal credit is extended to them directly or via a third party, as well as no guarantee such as surety is furnished in their favor.