

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**

**FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2022  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH -  
THE TURKISH TEXT IS AUTHORITATIVE)**



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

**INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Pınar Entegre Et ve Un Sanayii A.Ş.

**A. Audit of the financial statements**

**1. Our opinion**

We have audited the accompanying financial statements of Pınar Entegre Et ve Un Sanayii A.Ş. (the "Company") which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**2. Basis for opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company 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. Key audit matters**

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

*PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
BJK Plaza, Süleyman Seba Caddesi No:48 B Blok Kat:9 Akaretler Beşiktaş 34357 İstanbul-Turkey  
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015*



Key Audit Matters	How the key audit matter was addressed in the audit
<p><b>Fair value determination of land, buildings and land improvements</b></p>	<p>work for the fair value measurement of land, land improvements and buildings:</p>
<p>As stated in Note 2 of the accompanying financial statements, in accordance with the relevant provisions of TAS 16 "Tangible Fixed Assets" standard in its financial statements, the Company includes land, land improvements and buildings are carried at their fair values.</p>	<ul style="list-style-type: none"> <li>• The competency, capability and objectivity of the independent professional valuers that who were appointed by the Company management were assessed in accordance with relevant audit standards.</li> </ul>
<p>As explained in Note 10 of the accompanying financial statements, as a result of the valuations made by the independent professional valuation company appointed by the Company management as of 31 December 2022, the total value increase in the carrying values of land, land improvements and buildings is 1,217.2 million TL before tax. As of 31 December 2022, the total carrying value of the abovementioned assets are 1,669.1 million TL.</p>	<ul style="list-style-type: none"> <li>• The consistency of the data used by the independent professional valuation agency appointed by the Company management was checked with the Company's records by a sample matching study.</li> </ul>
<p>The increase in value has been accounted for in the Gains(Losses) on Revaluation of Property Plant and Equipments under shareholders' equity in the statement of financial position, by deducting the deferred tax effect.</p>	<ul style="list-style-type: none"> <li>• In order to evaluate the assumptions and methods used by the Company management and the independent professional valuation firm appointed by the Company management, an external expert was included in our audit to examine the valuation reports selected on a sampling basis in accordance with the provisions of "ISA 620: Use of Work of Expert" standard.</li> </ul>
<p>As of 31 December 2022, the total value of land, land improvements and buildings has a significant share in the Company's assets and the applied valuation techniques contain important estimates and assumptions such as comparable prices, construction costs per m<sup>2</sup>, the condition and location of the relevant asset., the fair value determination of land, land improvements and buildings was considered as a key audit matter by us.</p>	<ul style="list-style-type: none"> <li>• The compliance of the disclosures of fair value determination of land, land improvements and buildings in the financial statements in accordance with the relevant financial reporting standards were evaluated.</li> </ul>
<p>The following audit procedures were addressed in our audit</p>	



#### **4. Responsibilities of management and those charged with governance for the financial statements**

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

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

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

#### **5. Auditor's responsibilities for the audit of the financial statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 1 March 2023.

#### **Additional explanation for convenience translation into English**

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 by 31 December 2022. Accordingly, the accompanying financial statements are not intended to present fairly the financial position and results of operations of the Company in accordance with IFRS.

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

Baki Erdal, SMİM  
Independent Auditor

Istanbul, 1 March 2023



<b>CONTENTS .....</b>	<b>PAGE</b>
<b>STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET) .....</b>	<b>76-78</b>
<b>STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME.....</b>	<b>79-80</b>
<b>STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>81</b>
<b>STATEMENTS OF CASH FLOW.....</b>	<b>82-83</b>
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>84-147</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	84
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	84-105
NOTE 3 INTEREST IN OTHER ENTITIES .....	105-109
NOTE 4 CASH AND CASH EQUIVALENTS .....	110
NOTE 5 TRANSACTIONS AND BALANCES WITH RELATED PARTIES .....	110-115
NOTE 6 TRADE RECEIVABLES AND PAYABLES .....	116-117
NOTE 7 OTHER RECEIVABLES AND PAYABLES .....	117
NOTE 8 INVENTORIES .....	117
NOTE 9 BIOLOGICAL ASSETS .....	117
NOTE 10 PREPAID EXPENSES AND DEFERRED INCOME .....	117
NOTE 11 PROPERTY, PLANT AND EQUIPMENT.....	118-121
NOTE 12 INTANGIBLE ASSETS .....	122
NOTE 13 INVESTMENT PROPERTIES.....	122
NOTE 14 GOVERNMENT GRANTS AND INCENTIVES.....	123
NOTE 15 BORROWINGS AND BORROWING COSTS.....	123-124
NOTE 16 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES.....	124-126
NOTE 17 EMPLOYMENT TERMINATION BENEFITS.....	126-127
NOTE 18 EXPENSES BY NATURE .....	127-128
NOTE 19 OTHER ASSETS AND LIABILITIES.....	128
NOTE 20 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS .....	128-130
NOTE 21 REVENUE AND COST OF SALES.....	131
NOTE 22 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	131-132
NOTE 23 OTHER OPERATING INCOME AND EXPENSES.....	132
NOTE 24 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES .....	132-133
NOTE 25 EXPENSES CLASSIFIED .....	133
NOTE 26 FINANCIAL INCOME AND EXPENSES.....	133
NOTE 27 ANALYSIS OF OTHER COMPREHENSIVE INCOME .....	133
NOTE 28 INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	134-137
NOTE 29 EARNINGS PER SHARE.....	138
NOTE 30 EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES .....	138
NOTE 31 REPORTING IN HYPERINFLATIONARY ECONOMIES.....	138
NOTE 32 FINANCIAL INSTRUMENTS.....	138-139
NOTE 33 NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS .....	139-148
NOTE 34 FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES.....	149-151
NOTE 35 SUBSEQUENT EVENTS.....	151

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)****AT 31 DECEMBER 2022 AND 2021**

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

(\*) Revised

	Notes	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	56,212,824	43,172,004
Trade receivables		385,483,297	206,668,770
- Trade receivables from related parties	5	313,793,230	164,076,289
- Trade receivables from third parties	6	71,690,067	42,592,481
Other receivables		183,038,810	116,345,953
- Other receivables from related parties	5	125,839,800	116,277,220
- Other receivables from third parties		57,199,010	68,733
Inventories	8	260,304,609	107,468,303
Biological assets	9	138,423,006	30,004,552
Current income tax assets	28	4,835,341	1,421,602
Prepaid expenses		10,762,893	4,342,677
- Prepaid expenses to third parties	10	10,762,893	4,342,677
Other current assets		20,671,915	3,307,669
- Other current assets from third parties	19	20,671,915	3,307,669
<b>TOTAL CURRENT ASSETS</b>		<b>1,059,732,695</b>	<b>512,731,530</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments	32	12,004,632	4,265,488
Investments in associates accounted for using equity method	3	1,007,424,737	496,337,143
Investment property	13	81,320,000	37,120,000
Property, plant and equipment	11	1,990,303,818	767,009,263
- Land		1,359,958,150	333,420,980
- Land improvements		32,027,745	13,532,652
- Buildings		307,097,224	123,038,820
- Machinery and equipment		272,666,365	283,603,931
- Vehicles		1,578,277	1,738,570
- Furniture and fixtures		12,820,191	11,674,310
- Construction-in-progress		4,155,866	-
Right of use assets		2,900,879	3,697,557
Intangible assets		8,012,897	4,750,420
- Other intangible assets	12	8,012,897	4,750,420
Prepaid expenses		3,279,834	1,067,688
- Prepaid expenses to third parties	10	3,279,834	1,067,688
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,105,246,797</b>	<b>1,314,247,559</b>
<b>TOTAL ASSETS</b>		<b>4,164,979,492</b>	<b>1,826,979,089</b>

(\*) Note 2.5

These financial statements at 1 January - 31 December 2022 and for the year then ended were approved for issue by the Board of Directors of Pinar Entegre Et ve Un Sanayii A.Ş. on 1 March 2023. General Assembly and specified regulatory bodies have the right to make amendments after statutory consolidated financial statements issued.

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)**  
**AT 31 DECEMBER 2022 AND 2021**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

(\*) Revised

	Notes	31 December 2022	31 December 2021
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short-term borrowings		350,608,801	29,000,000
- Short-term borrowings to third parties		350,608,801	29,000,000
- Bank borrowings	15	350,608,801	29,000,000
Short-term portion of long-term borrowings		22,200,969	88,026,026
- Short-term portion of long-term borrowings from third parties		22,200,969	88,026,026
- Bank borrowings	15	20,925,459	86,881,612
- Borrowings from lease liabilities	15	1,275,510	1,144,414
Other financial liabilities	15	29,118,998	14,148,192
- Other miscellaneous financial liabilities		29,118,998	14,148,192
Trade payables		372,704,072	231,732,333
- Trade payables due to related parties	5	76,503,057	37,317,325
- Trade payables due to third parties	6	296,201,015	194,415,008
Payables related to employee benefits	17	5,519,730	5,340,792
Other payables		61,821,309	7,996,322
- Other payables due to related parties	5	1,097,011	3,237,011
- Other payables due to third parties	7	60,724,298	4,759,311
Deferred income		1,137,567	323,672
- Deferred income from third parties	10	1,137,567	323,672
Short-term provisions		1,928,261	1,356,150
- Short-term provision for employee benefits	17	1,674,896	1,102,785
- Other short-term provisions	16	253,365	253,365
Other current liabilities		11,768	4,345
- Other current liabilities due to third parties	19	11,768	4,345
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>845,051,475</b>	<b>377,927,832</b>
<b>Long-Term Liabilities</b>			
Long-term borrowings	15	20,516,197	36,072,518
- Long-term borrowing due to third parties		20,516,197	36,072,518
- Bank borrowings	15	18,294,063	33,041,342
- Borrowings from lease liabilities	15	2,222,134	3,031,176
Long-term provisions		144,363,019	53,264,858
- Long-term provisions for employee termination benefits	17	144,363,019	53,264,858
Deferred income tax liabilities	28	174,487,334	69,214,586
<b>TOTAL LONG - TERM LIABILITIES</b>		<b>339,366,550</b>	<b>158,551,962</b>
<b>TOTAL LIABILITIES</b>		<b>1,184,418,025</b>	<b>536,479,794</b>

(\*) Note 2.5

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)****AT 31 DECEMBER 2022 AND 2021**

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

			(*) Revised
	Referansları	31 December 2022	31 December 2021
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent company</b>		<b>2,980,561,467</b>	<b>1,290,499,295</b>
Share capital	20	43,335,000	43,335,000
Adjustment to share capital	20	37,059,553	37,059,553
Other accumulated comprehensive income/ (loss)			
that will not be reclassified to profit/ (loss)		2,139,647,922	757,344,477
- Gains (losses) on revaluation and remeasurement		1,505,680,757	481,012,937
Increases (decreases) on			
revaluation of property, plant and equipment	11	1,583,090,773	502,507,386
- Actuarial loss arising from defined benefit plans		(77,410,016)	(21,494,449)
- Share of other comprehensive income			
of investments in associates accounted for			
using equity method that will not be			
reclassified to profit/ (loss)		623,337,796	272,987,446
- Revaluation or classification earnings			
of assets at fair value through			
other comprehensive income	32	10,629,369	3,344,094
Other accumulated comprehensive income (loss)			
that will be reclassified to profit/ (loss)		46,747,159	31,296,639
- Share of other comprehensive income			
of investments in associates accounted for			
using equity method that will be reclassified to profit/ (loss)		46,747,159	31,296,639
Decrease/ (Increase) due to other changes		(594,462)	(1,188,924)
Restricted reserves		62,437,028	56,451,815
- Legal reserves	20	62,437,028	56,451,815
Retained earnings		326,398,797	231,533,145
Net profit for the year		325,530,470	134,667,590
<b>TOTAL EQUITY</b>		<b>2,980,561,467</b>	<b>1,290,499,295</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,164,979,492</b>	<b>1,826,979,089</b>

(\*) Note 2.5

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**STATEMENTS OF INCOME AND OTHER COMPREHENSIVE**  
**INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

		1 January - 31 December 2022	(*) Revised 1 January - 31 December 2021
	Notes		
<b>PROFIT OR LOSS</b>			
Revenue	21	2,120,120,668	1,117,558,769
Cost of sales	21	(1,728,984,788)	(935,012,494)
<b>Gross profit from trading operations</b>		<b>391,135,880</b>	<b>182,546,275</b>
Change in fair value of biological assets	9	2,623,098	2,574,581
<b>Gross profit</b>		<b>393,758,978</b>	<b>185,120,856</b>
General administrative expenses	22	(62,390,521)	(31,703,700)
Marketing expenses	22	(123,082,123)	(60,588,715)
Research and development expenses	22	(7,179,520)	(4,557,531)
Other income from operating activities	23	22,744,303	16,956,856
Other expense from operating activities	23	(22,481,287)	(3,102,812)
<b>OPERATING PROFIT</b>		<b>201,369,830</b>	<b>102,124,954</b>
Income from investment activities	24	68,543,549	29,251,002
Expense from investment activities	24	(455,426)	(163,247)
Share of results of investment-in-associates	3	150,987,296	32,668,677
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>420,445,249</b>	<b>163,881,386</b>
Financial Income	26	2,746,604	11,449,044
Financial Expense	26	(79,155,748)	(39,907,211)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>344,036,105</b>	<b>135,423,219</b>
Tax expense of continuing operations		(18,505,635)	(755,629)
- Current period tax expense	28	(22,489,733)	(2,179,437)
- Deferred tax income/ (expense)	28	3,984,098	1,423,808
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>325,530,470</b>	<b>134,667,590</b>
<b>PROFIT FOR THE YEAR</b>		<b>325,530,470</b>	<b>134,667,590</b>
<b>Earnings per share</b>		<b>7,5120</b>	<b>3,1076</b>
- Earnings per Kr 1 number of 100 shares from continuing operations	29	7,5120	3,1076

(\*) Note 2.5

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF FINANCIAL POSITION (BALANCE SHEET)****AT 31 DECEMBER 2022 AND 2021**

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

			(*) Revised
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>			
<b>Other comprehensive income/ (expense) that will not be reclassified to profit or loss:</b>		<b>1,392,524,950</b>	<b>429,615,584</b>
Gains on			
revaluation of property, plant and equipment	11	1,217,216,515	353,168,972
Losses on			
remeasurements of defined benefit plans	17	(69,894,458)	(7,235,510)
Share of other comprehensive income of associates accounted for using equity method that will not be reclassified to profit or loss		364,728,313	126,750,458
- Revaluation increases of property, plant and equipment of associates accounted for using equity method	3	181,523,933	114,528,742
Losses on remeasurements of defined benefit plans of associates accounted for using equity method	3	(15,065,388)	(795,861)
- Share of other comprehensive income of investments in associates accounted for using equity method that will not be reclassified to profit or loss		198,269,768	13,017,577
Revaluation or classification earnings of assets at fair value through other comprehensive income		7,285,275	1,636,823
Taxes relating to other comprehensive income that will not be reclassified to profit or loss		(126,810,695)	(44,705,159)
- Gains on revaluation of property, plant and equipment, tax effect		(140,789,586)	(46,152,259)
- Losses on remeasurements of defined benefit plans, tax effect	28	13,978,891	1,447,100
<b>Other Comprehensive Income that will be reclassified to Profit or Loss:</b>		<b>15,517,145</b>	<b>16,061,727</b>
- Gains on foreign currency translation differences of associates accounted for using equity method	3	15,517,145	16,061,727
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>		<b>1,408,042,095</b>	<b>445,677,311</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,733,572,565</b>	<b>580,344,901</b>

(\*) Note 2,5

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

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED AT 31 DECEMBER 2022 AND 2021  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF CASH FLOW FOR THE PERIOD  
BETWEEN 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

(\*) Revised

	Notes	1 January - 31 December 2022	1 January - 31 December 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		<b>(114,132,639)</b>	<b>115,801,824</b>
<b>Profit for the Year</b>		<b>325,530,470</b>	<b>134,667,590</b>
<b>Profit (Loss) for the Year from Continuing Activities</b>		<b>325,530,470</b>	<b>134,667,590</b>
<b>Adjustments Related to Reconciliation of Net Profit for The Year</b>		<b>(94,139,100)</b>	<b>(18,166,796)</b>
Adjustments for tax expense	28	18,505,635	755,629
Adjustments for depreciation and amortization	11.12	35,515,350	22,229,203
Adjustments for interest expense and interest income		38,917,399	9,177,786
- Adjustments for interest income	23.24.26	(27,002,094)	(19,139,697)
- Adjustments for interest expense	23.26	65,919,493	28,317,483
Adjustments for provisions		12,459,085	4,009,562
- Adjustments for provisions related with employee benefits	22.26	12,459,085	4,112,524
- Adjustments related to provisions (reversal) for lawsuits and/ or penalty	16	-	(102,962)
Adjustments for profit shares (income) expense		(14,822)	(10,837)
Adjustments for undistributed profits of investments accounted for using equity method		(150,987,296)	(32,668,677)
- Adjustments for undistributed profits of associates	3	(150,987,296)	(32,668,677)
Adjustments for fair value losses (gains)		(43,885,614)	(16,641,443)
- Fair value of investment property			
Revisions on losses (gains)	24	(43,837,097)	(13,890,000)
- Adjustments for fair value losses (gains) of biological assets or agricultural products	9	(48,517)	(2,751,443)
Adjustments for fair value loss (reversal)		682,260	326,568
- Adjustments for decrease in fair value of inventories		679,806	326,568
- Adjustments for other impairments	6	2,454	-
Adjustments for losses (gains) arises from sale of fixed assets		(210,342)	(39,804)
Adjustments for losses (gains) arises from sale of tangible assets	24	(210,342)	(39,804)
Adjustments for unrealized foreign currency translation differences		(5,120,755)	(5,304,782)
<b>Changes in Working Capital</b>		<b>(314,536,042)</b>	<b>16,465,332</b>
Adjustments related to (increase)/ decrease in trade receivables		(164,626,418)	(36,493,382)
- (Increase)/ decrease in trade receivables from related parties	5	(138,037,364)	(16,944,629)
- Increase in trade receivables from non-related parties		(26,589,054)	(19,548,753)
Adjustments related to decrease/ (increase) in inventories		(152,836,306)	(20,929,159)
Decrease/ (increase) in biological assets		(108,369,937)	(9,989,372)
Adjustments related to decrease/ (increase) in other receivables		(57,130,277)	43,723
Decrease/ (increase) in other receivables related with operations from non-related parties		(57,130,277)	43,723
(Increase)/ decrease in prepaid expenses		(6,420,216)	(3,254,519)
Adjustments for (decrease)/ increase in trade payables		138,467,282	87,271,280
-(Decrease)/ increase in trade payables to related parties	5	39,185,732	13,265,096
- Increase in trade payables to non-related parties		99,281,550	74,006,184
Increase/ (decrease) in payables related to employee benefits		(324,470)	2,551,416
Increase/ (decrease) in deferred income		813,895	(484,408)
Other adjustments for other increase in working capital		35,890,405	(2,250,247)
- Increase in other assets related with operations		(17,364,247)	(3,131,967)
- Increase in other liabilities related with operations		53,254,652	881,720
<b>Cash Flows from Operations</b>		<b>(83,144,672)</b>	<b>132,966,126</b>
Payments related with provisions for employee benefits		(5,084,495)	(9,385,745)
Income taxes (paid) refund		(25,903,472)	(7,778,557)

(\*) Note 2.5

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**STATEMENTS OF CASH FLOW FOR THE PERIOD**  
**BETWEEN 1 JANUARY - 31 DECEMBER 2022 AND 2021**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

(\*) Revised

	Notes	1 January - 31 December 2022	1 January - 31 December 2021
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(8,952,847)</b>	<b>(68,585,912)</b>
Interest received		27,002,094	19,139,697
Dividends received	5	16,730,151	11,863,247
Collections/ (paybacks) from cash advances and loans made		(9,562,580)	(25,115,569)
- Collections/ (paybacks) from cash advances and loans made to related parties		(9,562,580)	(25,115,569)
Cash advances and loans made to other parties		(2,212,145)	(912,233)
- Other Cash Advances and Loans Made to Other Parties		(2,212,145)	(912,233)
Cash outflows due to purchase of fixed assets		(44,053,591)	(73,962,962)
- Cash outflows due to purchase of tangible assets		(37,179,659)	(71,166,984)
Cash outflows due to purchase of intangible assets		(6,873,932)	(2,795,978)
Cash inflows from sales of fixed assets		234,727	401,908
Cash inflows from sales of tangible assets		234,727	401,908
Cash outflows from the purchase of investment property		(362,903)	-
Cash inflows of affiliates and / or joint ventures due to share sales or capital decrease		5,828,121	-
Cash outflows due to share sale or capital reduction of affiliates and/or joint ventures		(2,483,636)	-
Other cash outflows		(73,085)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>134,069,503</b>	<b>(29,122,584)</b>
Cash inflows from financial borrowings		916,169,436	143,915,967
- Cash inflows from loans		901,198,630	134,176,314
- Cash inflows from other financial liabilities		14,970,806	9,739,653
Cash outflows from payments		(668,936,019)	(69,047,690)
- Cash outflows for loan repayments		(668,936,019)	(69,047,690)
Payments of lease liabilities		(1,415,658)	(2,292,181)
Interest paid		(50,307,136)	(14,822,555)
Dividends paid		(61,441,120)	(86,876,125)
<b>Net Increase in Cash and Cash Equivalents Before Effect of Foreign Currency Translation Differences</b>		<b>10,984,017</b>	<b>18,093,328</b>
<b>EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>2,056,803</b>	<b>2,202,992</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>13,040,820</b>	<b>20,296,320</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>43,172,004</b>	<b>22,875,684</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>56,212,824</b>	<b>43,172,004</b>

(\*) Note 2,5

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

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Pınar Entegre Et ve Un Sanayii A.Ş. (the 'Company') was established in 1985 and is engaged in production of meat and by-products of cattle, sheep, poultry and fish, frozen dough and packaged food. The Company sells its products under 'Pınar' brand, which is one of the leading brands in food and beverages business in Turkey.

The Company is a member of Yaşar Group. Majority of the Company's sales in the domestic market amounting approximately 74% (2021: 74%) are made to its investment-in-associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. ('YBP'), and majority of the exports are made to Yaşar Dış Ticaret A.Ş. ('YDT'), which are both Yaşar Group companies (Note 5).

Company shares are traded on Borsa İstanbul ('BIST'). The ultimate parent of the Company is Yaşar Holding A.Ş. ('Yaşar Holding') with as of 31 December 2022 54% shares of the Company (31 December 2021: 54%) (Note 20).

The average number of personnel is 928 as of 31 December 2022 (31 December 2021: 823 personnel).

The address of the registered head office of the Company is as follows:

Kemalpaşa OSB Mahallesi, Kuyucak Yolu, 503 Sokak, No:224  
Kemalpaşa/ İzmir

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

The accompanying financial statements are prepared in accordance with Communiqué Serial II, No:14.1, 'Principles of Financial Reporting in Capital Markets' ('the Communiqué') published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards ('TAS') and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority ('POAASA'). TAS contains Turkish Accounting standards, Turkish Financial Reporting standards ('TFRS') and its addendum and interpretations ('TFRS').

The financial statements are presented in accordance with the 'Announcement on TAS Taxonomy' issued by the POAASA on 4 October 2022 and the formats specified in the Financial Statement Examples and Usage Guidelines issued by CMB.

POAASA made a statement on January 20, 2022, in order to eliminate the hesitations about whether the companies applying TFRS will apply IAS 29 Financial Reporting in High Inflation Economies in the 2021 financial reporting period. Accordingly, it has been stated that the enterprises applying TFRS do not need to make any adjustments within the scope of IAS 29 Financial Reporting in High Inflation Economies ("IAS 29"), and no new statement has been made by the POAASA on the application of IAS 29 afterwards. Considering that no new disclosure has been made as of the date these financial statements were prepared, no inflation adjustment was made in accordance with IAS 29 while preparing the financial statements as of 31 December 2022.

The Company maintains its books of accounts and prepares its statutory financial statements in accordance with the Turkish Commercial Code ('TCC'), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. Subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate. These financial statements have been prepared under historical cost conventions except for financial assets, financial liabilities, land, buildings and land improvements, machinery and equipment, investment properties and biological assets which are carried at fair value. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS/ TFRS. The Company's functional and reporting currency is Turkish Lira ('TRY').

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.2 Amendments in International Financial Reporting Standards**

**a) The new standards in force and the amendments and interpretations to the existing previous standards as of 31 December 2022;**

- **Amendments to TFRS 16 "Leases - COVID 19 Lease concessions";** effective from annual periods beginning on or after 1 June 2022. Due to the COVID-19 outbreak, some concessions were provided to tenants in rent payments. These concessions can take a variety of forms, including suspension or postponement of lease payments. On May 28, 2020, with the amendment to the TFRS 16 Leases standard, the TASB introduced an optional facilitating application for tenants to not evaluate whether the privileges granted due to COVID-19 in lease payments are a change in the lease. Tenants may choose to account for such lease concessions in accordance with the provisions that apply in the absence of a change to the lease. This ease of implementation often causes the lease concession to be accounted for as variable lease payment in periods when an event or condition that triggers a reduction in lease payments occurs. This change has no effect on the financial position and performance of the Company.
- **Narrow amendments in TFRS 3, TAS 16, TAS 37 and some annual improvements in TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022
  - o Amendments to TFRS 3 'Business Combinations'; This amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.
  - o Amendments to TAS 16 'Tangible fixed assets'; prohibits a company from deducting the income from the sale of manufactured products from the amount of the tangible fixed asset until the asset is ready for use. Instead, the company will reflect such sales revenue and related cost in profit or loss.
  - o Amendments to TAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'; this amendment specifies what costs a company involves when deciding whether to lose from a contract.

Annual improvements make minor changes to the explanatory examples of TFRS 1, 'First application of International Financial Reporting Standards' TFRS 9 'Financial Instruments', TAS 41 'Agricultural Activities' and TFRS 16.

- Narrow changes in TAS 1, Application Statement 2 and TAS 8, effective from Annual periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.
- TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction, effective from Annual periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.
- TAS 1, Amendment to the long-term obligations, which are the terms of the contract; Effective for annual reporting periods beginning on or after 1 January 2024. These changes clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability.

The Company will evaluate the effects of amendments mentioned above on its operations and apply them from the effective date. New standards and amendments which are not relevant to the operations of the Company issued but not effective as of 31 December 2021 have not been presented above.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

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

##### 2.3 Basis of Consolidation

The Company does not have any subsidiary to be consolidated in the financial statements. The investments-in-associates are accounted for using the equity method and are initially recognized at cost. These are undertakings over which the Company has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which not control. Unrealized gains on transactions between the Company has significant influence, but which not control. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's share of its associates' post-acquisition profits or losses is recognized in the statement of comprehensive income, and its share of post-acquisition movements in reserves, such as fair value changes in available-for-sale financial assets, revaluation of property, plant and equipment, depreciation transfer and recognition of such reserves, is recognized in statement of changes in equity and statement in comprehensive income. Dividends to be received or receivable from associates are accounted for as a reduction of the carrying amount of the investment.

Acquisitions of subsidiary acquisitions that do not result in the loss of significant activity or control gain are accounted for as goodwill in the value of the associate as the difference between the fair value of the associate's identifiable net assets and the fair value of the consideration paid for the asset as of the acquisition date.

The accounting policies of the investing entity accounted for using the equity method of accounting have been amended accordingly to ensure consistency with the accounting policies applied by the Company.

The equity method is not continued on the basis of the fact that the registered value of the investment in the associate is zero or the significant effect of the Company is terminated as long as the Company does not make any commitment or obligation in relation to the subsidiary. The recorded value of the investment in the date on which the significant effect is ended is shown as cost after that date. The amount previously recognized in comprehensive income/ (expense) is related to net period profit/ (loss) if appropriate in accordance with the provisions of the related TAS/IFRS, in proportion to the decrease in the proportion of the equity participations that do not result in loss of significant activity.

The book value of the investment accounted for by the equity method is tested for impairment according to the policy described in Note 2.6.9.

The table below sets out the associates and the proportion of ownership interest as of 31 December 2022 and 2021 (Note 3):

	<b>Share/Voting Right (%)</b>	
<u>Investments-in-associates</u>	<b>2022</b>	<b>2021</b>
YBP	42,78	42,78
Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş. ("Çamlı Yem")	23,38	23,38
Pınar Foods GmbH ("Pınar Foods")	44,94	44,94
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	21,55	26,41

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
 (Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.3 Basis of Consolidation (Continued)**

**Foreign currency translation**

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

***Translation of financial statements of foreign associate***

Financial statements of Pinar Foods operating in Germany are prepared according to the legislation of the country in which it operates and adjusted to the financial reporting standards issued by the TAS/IFRS. The assets and liabilities of foreign associate are translated into TRY from the foreign exchange rates at the balance sheet date, and the statement of comprehensive income items of foreign associate are translated into TRY at the average foreign exchange rates in the period. As of

31 December 2022, the equivalent of EUR1 is TRY19,9349 (31 December 2021: 14,6823) and for the year then ended, the average equivalent of EUR1 is TRY 17,3919 (31 December 2021: TRY 10,4687). Exchange differences arising from re-translation of the opening net assets of investment-in-associate and the differences between the average and year-end rates are included in the share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit or loss under the equity as a separate component.

***Functional and reporting currency***

The financial statements of the Company and each subsidiary are measured in terms of the currency in which the entity is located and the main currency in which the operations are carried out ('functional currency'). The financial statements have been prepared in Turkish Lira ('TRY'), which is the functional currency of the Company.

**2.4 Offsetting**

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than revenue described in the section 'Revenue Recognition' are presented as net if the nature of the transaction or the event qualify for offsetting.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.5 Comparative Information**

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 31 December 2022 on a comparative basis with balance sheet at 31 December 2021; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2022 on a comparative basis with financial statements for the period of 1 January - 31 December 2021.

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to future periods, both in the period in which the change is made and prospectively. In order to comply with the presentation of the interim condensed financial statements in the current period, comparative information is reclassified when deemed necessary and significant differences are disclosed.

Çamlı Yem Besicilik A.Ş. ("Çamlı Yem") has identified some errors regarding the measurement of Çamlı Yem's biological assets as of 31 December 2021. The effects of the error on the financial statements of the Company have been adjusted retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" by associating with the income statement for the year ended 31 December 2021. The effects on the financial statements are presented below. However, there is no significant difference identified with respect to previous reporting periods.

	<b>Previously reported 31 Aralık 2021</b>	<b>Correction for the previous period</b>	<b>Revised 31 December 2021</b>
<b>ASSETS</b>			
Current Assets	512,731,530	-	512,731,530
Non-current Assets	1,326,489,811	(12,242,252)	1,314,247,559
<b>TOTAL ASSETS</b>	<b>1,839,221,341</b>	<b>(12,242,252)</b>	<b>1,826,979,089</b>
<b>LIABILITIES</b>			
Short Term Liabilities	377,927,832	-	377,927,832
Long Term Liabilities	158,551,962	-	158,551,962
Total Equity	1,302,741,547	(12,242,252)	1,290,499,295
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,839,221,341</b>	<b>(12,242,252)</b>	<b>1,826,979,089</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.5 Comparative Information(Continued)**

	Previously reported 31 December 2021	Correction for the previous period	Revised 31 December 2021
<b>PROFIT OR LOSS</b>			
Revenue	1,120,133,350	-	1,120,133,350
Cost of Sales	(935,012,494)	-	(935,012,494)
<b>Gross Profit</b>	<b>185,120,856</b>	<b>-</b>	<b>185,120,856</b>
General administrative expenses	(31,703,700)	-	(31,703,700)
Marketing expenses	(60,588,715)	-	(60,588,715)
Research and development expenses	(4,557,531)	-	(4,557,531)
Other income from operating activities(net)	13,854,044	-	13,854,044
<b>OPERATING PROFIT</b>	<b>102,124,954</b>	<b>-</b>	<b>102,124,954</b>
Income from investment activities - net	29,087,755	-	29,087,755
Share of results of investment-in-associates	44,910,929	(12,242,252) (*)	32,668,677
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)</b>	<b>176,123,638</b>	<b>(12,242,252)</b>	<b>163,881,386</b>
Financial expense- net	(28,458,167)	-	(28,458,167)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>147,665,471</b>	<b>(12,242,252)</b>	<b>135,423,219</b>
Continuing Operations Tax Expense	(755,629)	-	(755,629)
<b>Profit for the year</b>	<b>146,909,842</b>	<b>(12,242,252)</b>	<b>134,667,590</b>

(\*) As a result of the aforementioned adjustment, as of 31 December 2021, the item "Investments Evaluated by the Equity Method" in the statement of financial position and the "Share from the Profit/ Loss of Investments Evaluated by the Equity Method" item in the profit or loss and other comprehensive income statement for the year ended the same date decreased by 12.242.252 TRY.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

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

##### 2.5 Comparative Information(Continued)

	Previously reported 31 December 2021	Correction for the previous period	Revised 31 December 2021
Other Comprehensive Income	445,677,311	-	445,677,311
Other Comprehensive Income	592,587,153	(12,242,252)	580,344,901

	Previously reported 1 January 2021- 31 December 2021	Revised 1 January 2021- 31 December 2021
Earnings per 100 shares with a nominal value of 1 Kr	3,3901	3,1076

##### 2.6 Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of the financial statements are summarized below:

##### 2.6.1 TFRS 16 - 'Leases'

###### *The Company as the lessee*

At inception of a contract, the Company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers the following matters when assessing whether the agreement transfers the right to control the use of an identified asset for a limited period of time:

- a) The contract contains an identified asset: - this may be specified explicitly or implicitly,
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
- c) The Company has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and,
- d) The Company has the right to direct use of the asset. The Company concludes to have the right of use, when it is predetermined how and for what purpose the Company will use the asset. The Group has the right to direct use of asset if either:
  - i. The Company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions or
  - ii. The customer designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

At the commencement date, the Company recognize a right-of-use asset and a lease liability in financial statements.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.1 TFRS 16 - 'Leases' (Continued)**

***Right of use asset***

The cost of the right-of-use asset shall comprise:

- a) The amount of the initial measurement of lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the lessee and
- d) Costs incurred by the Company in respect of restoring the underlying asset to the condition required by the terms and conditions of the lease (excluding costs incurred for stock production).

Right of use assets are first recognized using the cost method and includes the following:

- a) Less any accumulated depreciation and any accumulated impairment losses and
- b) Adjusted for any remeasurement of the lease liability.

The Company applies the depreciation requirements in TAS 16, 'Property, Plant and Equipment' in depreciating the right-of-use asset, subject to the requirements. The Company applies TAS 36, 'Impairment of Assets' to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

*Lease liability*

At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are deducted using the implicit interest rate on the lease if this rate can be easily determined. If it cannot, the incremental borrowing rate of the interest on the lease is used. Lease payments included in the calculation of the company's lease obligation and not realized on the date the lease actually starts consisting of following:

- a) Fixed payments, less any lease incentives receivable,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Company measure the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The Company recognize the amount of the remeasurement of the lease liability as an adjustment to the financial statements as a right-of-use asset.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

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

##### 2.6 Summary of Significant Accounting Policies (Continued)

##### 2.6.1 TFRS 16 - 'Leases' (Continued)

###### *Extension and early termination options*

A lease obligation is determined considering extension and early termination options in agreements. The majority of the extension and early termination options in agreements are options that may be jointly applied by the company and the lessee. However, if the extension and early termination options are determined by the company under the agreement, and the use of the options is reasonably certain, the lease period is determined with this in mind. Should the terms be adjusted significantly, the assessment is revised by the company.

###### *Facilitating applications*

Lease agreements with a lease period of 12 months or less, and agreements related to information technology equipment identified as impaired by the company, are considered within the scope of the exemption in the TFRS 16 lease standard, and payments related to these agreements continue to be recognized as expenses in the period in which they occur. A single discount rate is applied to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). The Company does not have variable lease payments.

###### **Company - as lessor**

The activities of the Company as a lessor do not involve material amounts.

##### 2.6.2 Revenue recognition

The Company transfers the committed goods or services to its customers and records the revenue in its financial statements as it fulfils or fulfils the performance obligation. When an asset is checked (or passed) by the customer, the asset is transferred.

The Company records the proceeds in accordance with the following basic principles:

- a) Identification of customer contracts,
- b) Identification of performance obligations,
- c) Determination of the transaction price in the contract,
- d) Dividing the transaction price into the contractual performance obligations,
- e) Revenue recognition when each performance obligation is fulfilled.

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment to transfer the goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled in time or at a certain time. If the company transfers the control of a good or service over time and thus fulfils the performance obligations related to the sales in time, it measures the progress of the fulfilment of the performance obligations in full and takes the proceeds to the financial statements. Revenue is recognized when customers are in control of goods or services related to performance obligations, such as goods or services transfer commitments.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
 (Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.2 Revenue recognition (Continued)**

In the event that all of the following conditions are met, the Company recognizes a contract with its customer as revenue:

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

***Revenue from product sales***

The company generates proceeds by selling frozen dough and ready-to-eat products with the production of meat and by-products of cattle and sheep and poultry and fish. Revenue is recognized when product control is transferred to the customer.

The Company evaluates the transfer of control of the goods or services sold to the customer,

- present right to payment for the good or service,
- the customer has legal title to the asset,
- transfer physical possession of the asset,
- the customer has the significant risks and rewards of ownership of the good,
- the customer has accepted the asset.

For each performance obligation, the Company determines whether it has fulfilled its performance obligation at the beginning of the contract or whether the performance obligation fulfilled at a certain point in time. The Company records revenue from product sales in the financial statements following the transfer of control to the customer. In the event that the Company has the right to collect a price directly corresponding to the value of its customer (from the delivery of products), the Company pays the revenue to the financial statements for the amount that it has the right to invoice.

**2.6.3 Financial assets'**

***Classification and measurement***

The Company classifies its financial assets as financial assets that are accounted for at amortized cost and fair value differences as assets recorded in other comprehensive income. The classification is based on the business model and expected cash flows, which are determined according to the purpose of benefiting from financial assets. The Company makes the classification of its financial assets on the date of purchase.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
 (Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.3 Financial assets (Continued)**

**(a) Financial assets recognized at amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded, and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Company's financial assets carried at amortized cost comprise 'trade receivables', 'cash and cash equivalents' and 'other receivables' in the financial statements.

**Impairment**

The Company has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific event, Company measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Company and its expectations for the future indications. The company management has evaluated the effect of the said calculation as of 31 December 2022 and the expected credit losses calculation has no significant effect on the financial statements..

**(b) Financial assets whose fair value is reflected in other comprehensive income**

Assets that management adopts contractual cash flows and/ or sales business model are classified as assets that are recognized at fair value. Such assets are classified as non-current assets unless management intends to dispose of the related assets within 12 months after the balance sheet date. The Company makes an invariable choice as investment in equity investments reflected to the other comprehensive income or profit or loss statement of the fair value difference of the investment at initial recognition for investments in equity-based financial assets.

Financial assets carried at fair value through other comprehensive income include 'financial investments' in the statement of financial position. In the event that the assets recorded in other comprehensive income are sold in the fair value difference, the valuation difference classified in other comprehensive income is classified into prior year profits.

Where there is no fair value of assets recorded in other comprehensive income, generally accepted valuation methods used in the calculation of fair value include certain assumptions based on the best estimates of management and the values that may occur in the case of purchase/ sale transactions may differ from these values.

Borrowings are recognized initially at the proceeds received; net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred (Note 27).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.4 Inventories**

Raw materials of the Company mainly consist of meat and turkey meat as well as spices and animal fats, which are used in production of meat. Work in progress stocks mainly consists of processed turkey, cattle and sheep meat, finished goods consist of delicatessen, frozen and fresh meat product, other stocks mainly consist of spare parts.

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost elements included in inventories comprise all costs of purchase of material and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on the monthly weighted average basis (Note 8).

**2.6.5 Biological assets**

Biological assets are livestock stocks made up of fattening dentists for the purpose of slaughtering (Note 9). Biological assets are reflected in the financial statements taking into consideration the principles of TAS 41 'Agricultural Activities' standard. TAS 41 presents a hierarchical method of prioritizing measurement methods for the measurement of living entities.

The basic principle used in the measurement of biological assets is the reflection of such assets to the financial statements over the fair values determined using unit price included in live animal purchase offers.

Changes in the fair value of biological assets are reflected in the income statement as 'changes in fair value of biological assets'.

**2.6.6 Property, plant and equipment**

Property, plant and equipment except for land, land improvements and buildings and machinery and equipment are stated at cost less accumulated depreciation and if exists provisions. Land, land improvements, buildings and machinery and equipment as of 31 December 2021 are stated at fair value less accumulated depreciation, based on valuations made by external independent expert (Note 11). Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on the revaluation of land, land improvements and buildings and machinery and equipment are credited to the revaluation reserve in equity, net of applicable deferred income tax. For certain assets, the increase was recognized in the statement of comprehensive income to the extent that it reversed the impairment of the same asset previously recognized in the statement of comprehensive income. Decreases that offset previous increases of the revalued asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings, and the amount transferred is net of applicable deferred income tax.

Buildings, land improvements, machinery and equipment are capitalized and depreciated when they are in the location and condition necessary for it to be capable of operating in the manner intended by the management. Residual values of property, plant and equipment are deemed as negligible.

The advances given for the property, plant and equipment purchases are classified in prepaid expenses under other non-current assets until the related asset is capitalized. At each balance sheet date, residual values and estimated useful lives of property, plant and equipment are reviewed and adjusted if appropriate, prospectively.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

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

##### 2.6 Summary of Significant Accounting Policies (Continued)

##### 2.6.6 Property, plant and equipment (Continued)

Depreciation is provided on the cost or revalued amounts of property, plant and equipment on a straight-line basis less any impairment (Note 11). Land is not depreciated as it is deemed to have an indefinite life. Approximate useful lives of property, plant and equipment are as follows:

	Years
Buildings and land improvements	15-50
Machinery and equipment	15-25
Furniture and fixtures	5-10
Motor vehicles	5

Subsequent costs are included in the asset's carrying value recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If the property, plant and equipment that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognized in the statement of comprehensive income. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use.

Maintenance and repair expenses are recognized as an expense in the statement of comprehensive income. The Company removes the carried values from the balance sheet, regardless of whether or not the replacement parts are depreciated independently of other segments. Major renewals are depreciated based on the remaining life of the related tangible asset or the shorter economic life of the renewal itself. Gains or losses on disposals of property, plant and equipment are determined by the value of tangible assets and recorded in the related income and expense accounts (Note 24). In the disposal of revalued tangible fixed asset, the amount in revaluation fund related to disposed tangible asset is transferred to retained earnings account by deducting deferred tax effect.

##### 2.6.7 Intangible assets

Intangible assets have finite useful lives and mainly comprise acquired rights and information processing software. Intangible assets acquired before carried at cost in the equivalent purchasing power of TRY and items acquired after carried at cost, less accumulated amortization and impairment losses, if any. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful lives for a period of five years from the date of acquisition (Note 12). Costs associated with maintaining computer software programs are recognized as an expense when incurred. Gain or losses on disposals or on impairments of intangible assets with respect to their amounts are included in the related income and expense accounts. Residual values of intangible assets are deemed as negligible. Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.8 Investment property**

Instead of being used in the production of goods and services or for administrative purposes or sold during the normal course of business, land and buildings held for the purpose of obtaining a lease or for appreciation or both are classified as investment properties. Investment property is reflected to the financial statements at fair value as of 31 December 2021 by independent professional appraisal company TSKB Gayrimenkul Değerleme A.Ş. Changes in the fair value of investment properties are accounted for under profit / loss and comprehensive income from investment activities under income/ expenses (Note 24).

**2.6.9 Impairment of assets**

*Impairment of financial assets:*

- Assets carried at amortized cost

The Company evaluates at the end of each reporting period whether there is an objective indication that financial assets are impaired. If a financial asset or group of financial assets is impaired, the impairment loss is objectively recognized as a result of one or more events that arise only after the asset is initially recognized and have an impact on the estimated future cash flows of the financial assets. If there is any evidence, it is reflected in the financial statements.

The Company considers the following criteria for impairment testing of all financial assets:

- The issuer of the financial asset or the undertaker of the financial asset is in significant financial difficulty,
- Breach of contract, for example failure or omission of interest or principal payments,
- The Company grants the debtor a privilege that it would not otherwise grant due to economic or legal reasons related to the financial difficulty of the debtor,
- The probability that the debtor will enter bankruptcy or another type of financial restructuring,
- For each financial asset in the portfolio observable data indicating that there has been a measurable decrease in the estimated future cash flows of a Company financial asset following the initial recognition of such assets. This type of data usually occurs in the following situations:
  - (i) adverse changes in the payment status of debtors in the portfolio; and
  - (ii) national or regional economic conditions that may result in non-repayment of assets in the portfolio.

The company first assesses whether there is an independent indication of impairment. For loans and receivables, the amount of loss is measured as the difference between the carrying amount of the assets and the present value of the estimated future cash flows of the financial assets discounted using the original effective interest rate (excluding future unrealized expenses). The book value of the assets is reduced, and the resulting loss is recorded in the income statement. If, in the following period, the amount of the impairment loss decreases and this decrease can be attributed to an event that occurred after the impairment was realized (such as an improvement in the borrower's credit rating), the reversal of the previously recorded impairment loss is recorded in the income statement.

# **PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

#### **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

##### **2.6 Summary of Significant Accounting Policies (Continued)**

##### **2.6.9 Impairment of assets (Continued)**

*Impairment of non-financial assets:*

For each asset other than deferred tax assets, the Company evaluates at each balance sheet date whether there is any indication of impairment of the asset in question. If such an indicator exists, the recoverable amount of that asset is estimated. For intangible assets that are not ready for use, the recoverable amount is estimated at each balance sheet date. The recoverable value of the asset is the higher of the net fair value after deducting the expenses to be incurred to sell the related asset and its value in use.

To determine impairment, assets are grouped at the lowest level, which are cash-generating units. An impairment has occurred if the carrying value of the asset, or any cash-generating unit of that asset, is higher than the net fair value after deducting the expenses necessary to use or sell it. Impairment losses are charged to the statement of comprehensive income unless the related asset is revalued. An impairment loss on an asset is reversed up to a level that does not exceed the amount previously recorded if the subsequent increase in the recoverable amount of that asset can be attributed to an event occurring in the periods following the recognition of the impairment.

##### **2.6.10 Borrowing and borrowing costs**

Borrowings are recognized initially at the proceeds received; net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred (Note 26). If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Note 15).

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

##### **2.6.11 Going concern**

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.12 Earnings per share**

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net income for the year by the weighted average number of shares that have been outstanding during the year concerned (Note 29). Companies can increase their share capital by making a pro-rata distribution of shares ('Bonus Shares') to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

In case of dividend distribution, earnings per share is calculated by dividing net income by the number of shares, rather than dividing by weighted average number of shares outstanding.

**2.6.13 Subsequent events**

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

**2.6.14 Provisions, contingent liabilities and contingent assets**

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognize contingent assets and liabilities (Note 16). The Company does not recognize contingent assets and liabilities. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are not recognized for future operating losses.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

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

##### 2.6 Summary of Significant Accounting Policies (Continued)

##### 2.6.14 Provisions, contingent liabilities and contingent assets (Continued)

###### i. Employee benefits - defined benefit obligation (Provision for employment termination benefits)

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labour Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. All actuarial gains and losses are recognized in other comprehensive income.

###### ii. Provision for profit sharing and bonus plans

The Company recognizes a liability and an expense for bonus and profit-sharing for the management and board of directors, based on a formula that takes into consideration the profit attributable to the shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### 2.6.15 Accounting Policies, Errors and Change in Accounting Estimates

Material changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of changes in accounting estimate shall be recognized prospectively by including it in the statement of comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

##### 2.6.16 Related parties

For the purpose of these financial statements, shareholders having control, joint control or significant influence over the Company, Yaşar Group Companies, key management personnel of the Company or Yaşar Holding as main shareholder and board members, and their close family members, in each case together with and companies controlled, jointly controlled or significantly influenced by them are considered and referred to as related parties (Note 5).

a) A person or a close member of that person's family is related to a reporting entity if that person:

The person concerned:

- i) has control or joint control over the reporting entity,
- ii) has significant influence over the reporting entity or
- ii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies(Continued)**

**2.6.16 Related parties (Continued)**

- b) If any of the following conditions exists, the entity is considered to be associated with the Company:
- i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others),
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
  - iii) Both entities are joint ventures of the same third party,
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
  - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
  - vi) The entity is controlled or jointly controlled by a person identified in (a),
  - vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

**2.6.17 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that takes strategic decisions. The chief operating decision makers regularly monitor and review the operational results based on the main products' performances in domestic and foreign markets. However, as the nature of the products, production processes, type of customers, distribution methods and regulatory environment for the operations of the Company are identical, and the operations performed in foreign markets is not material, segment reporting is not applicable.

**2.6.18 Taxation on income**

The tax expense for the period comprises current and deferred income tax. The current income tax liability includes the taxes payable calculated on the taxable portion of the period income with tax rates enacted on the balance sheet date (Note 28). The adjustments related to prior period tax liabilities are recognized in other operating expenses. Deferred income tax income or expense is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In case, when the tax is related to items recognized directly in equity and other comprehensive income, the tax is also recognized in equity and other comprehensive income. Deferred income tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will be reversed, using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled as of the balance sheet date.

# **PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

#### **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

##### **2.6 Summary of Significant Accounting Policies(Continued)**

##### **2.6.18 Taxation on income(Continued)**

Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. To the extent that deferred income tax assets will not be utilized, the related amounts have been deducted accordingly.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company records the tax liabilities incurred by the supplemental tax that is estimated to be paid as a result of tax events. The tax deductions that arise from the investment incentives the Company has and are likely to benefit in the coming periods are reflected in the financial statements as it is highly probable that such incentives will be utilized in the future. Where the ultimate tax consequences arising from these items differ from those initially recorded, these differences could affect income tax provision and deferred tax liabilities in the periods in which they are set (Note 28).

##### **2.6.19 Statement of cash flows**

In the statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Company's production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

##### **2.6.20 Share capital and dividends**

Ordinary shares are classified as equity. Dividends payable on shares are recognized as an appropriation of the profit in the period in which they are declared. Dividend income is recognized when the Company's right to receive the payment is established. In the event that the existing ordinary shares or the number of potential ordinary shares are increased as a result of capitalization, bonus issuance or share division, or if the share of shares decreases as a result of a change in shareholders' equity, the calculation of earnings per share for each period presented is corrected retrospectively.

##### **2.6.21 Government grants and incentives**

Government incentives and grants are recognized at fair value if the Company has a reasonable assurance that the incentives will be received, and the Company meets minimum requirements.

##### **2.6.22 Research and development expenses**

Research expenditures are recognized as an expense in the period in which they are incurred. Intangible assets arising from the development (or from the development stage of a project carried out within the enterprise) in the presence of all of the following conditions are recognized.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.22 Research and development expenses (Continued)**

- It is technically possible for the intangible asset to be completed to be ready for use or sale,
- The entity has intention to complete an intangible asset and to use or sell it,
- Possibility to use or sell intangible assets,
- How the intangible asset will determine the probable future economic benefits,
- There are sufficient technical, financial and other resources available to complete the development phase and to use or sell the intangible asset and
- The expenditure on intangible assets in the development process can be reliably measured.

In the remaining cases, development expenditures are expensed as incurred. Development expenditures expensed in the previous period are not recognized as assets in the following period. Projects in which the stages of research and development are difficult to distinguish will be expensed to the extent that they are accepted and formed during the research phase.

**2.6.23 Significant accounting assessments, estimates and assumptions**

The preparation of the financial statements requires the measurement of assets and liabilities reported as of the balance sheet date, disclosure of contingent assets and liabilities and using of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the Company management's best knowledge of current events and transactions, actual results may differ from the assumptions. The Company's significant accounting assumptions and estimates include:

**a) Revaluation of land, buildings and land improvements, machinery and equipment**

Revaluations are performed with the sufficient regularity to ensure that the carrying amounts of the revalued property, plant and equipment do not differ materially from that which would be determined using fair value at the end of the reporting periods. The frequency of the revaluation depends upon the changes in the fair values of the items of property, plant and equipment. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required, and revaluation is performed for entire class of revalued item simultaneously. Besides, for items of property, plant and equipment with only insignificant changes in fair value frequent revaluations and fair value measurements are considered unnecessary.

In this context, as a result of the evaluations made by the Company management, lands, land improvements and buildings and machinery and equipment were reflected to the financial statements as of 31 December 2021, at their fair value determined by the professional valuers after deduction depreciation charges in current period.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.23 Significant accounting assessments, estimates and assumptions (Continued)**

**a) Revaluation of land, buildings and land improvements, machinery and equipment (Continued)**

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

- In the fair value calculations, the most effective and efficient use has been evaluated and the current usage purposes have been determined as the most effective and efficient use, and the market reference method has been used for investment properties and lands. In the cost approach method, the value of the real estate is determined by adding the cost of the investment on the land to the land value after depreciation (if any interest or gain is added, deduction of the depreciation). In the calculation of the land value, which is one of the components considered in the cost approach method, the above-described market reference method was used.
- In the market reference method, current market information was used, considering the similar real estates that were put on the market recently, price adjustments were made within the framework of criteria that could affect the market value, and the average m<sup>2</sup> sales value was determined for the lands subject to the report. The found precedents were compared in terms of criteria such as location, size, zoning status, physical characteristics, real estate marketing firms were interviewed for the current evaluation of the real estate market, and the available information of an independent professional valuation company was also used.
- The cost approach method was used in the valuation of machinery and equipment. Since the valuation is an integrated industrial facility valuation as a whole, in the light of market data to the extent applicable in the valuation of machinery and equipment; The active and operational values within the entire integrated facility were made by considering the current status of the machines in question, and the machines and equipment in question were examined on a line basis.

The fair values may differ from the amounts that would result from the outcome of a sales transaction between independent parties.

**b) Provision for employment termination benefits**

The company uses actuarial assumptions such as employee turnover rate, discount rates and salary increase in the calculation of the provision for employee termination benefits. Calculation details are given in employee benefits (Note 17).

**c) Fair value measurement of financial assets**

In cases where the assets whose fair value difference is recorded in other comprehensive income do not have any fair value registered in the stock market, it can be defined that significant amounts of assets and liabilities are carried at fair value, which is one of the other alternative valuation techniques, especially the discounted cash flow method, which is one of the generally accepted valuation techniques used in calculating the fair value. The net asset valuation approach includes some assumptions based on the Company's best estimates, and the values that may occur in case of realization of purchase/ sale transactions may differ from these values (Note 32).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (Continued)**

**2.6.23 Significant accounting assessments, estimates and assumptions (Continued)**

**d) Recoverability of trade receivables**

The Company management takes into consideration the guarantees received from customers, past collection performances, maturity analysis, disputes or lawsuits regarding receivables while evaluating the recoverability of trade receivables. As a result of all these evaluations, the determination of doubtful receivables and the determination of the amount of provisions allocated for these receivables also includes the assumptions and estimates of the management.

**2.7 Compliance Declaration to Resolutions Published By POAASA and TAS/ TFRS**

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the TAS/ TFRS published by the POAASA management, we declare that the current and previous period financial statements together with the summary of the important accounting policies and notes to the financial statements are prepared and presented in accordance with TAS/ TFRS published by the POAASA.

**NOTE 3 - INTEREST IN OTHER ENTITIES**

**Investments-in-associates:**

(\*)Revised

	31 December 2022		31 December 2021	
	TRY	(%)	TRY	(%)
YBP	688,754,955	42,78	324,680,801	42,78
Çamlı Yem	221,724,688	23,38	101,069,533	23,38
Desa Enerji (**)	36,007,828	21,55	28,828,519	26,41
Pınar Foods	60,937,266	44,94	41,758,290	44,94
<b>Total</b>	<b>1,007,424,737</b>		<b>496,337,143</b>	

(\*) Note 2,5

(\*\*) In 2022, the Company sold 4.86% of Desa Enerji shares to its parent Yaşar Holding. The transaction in question is defined as a transaction that did not result in a significant loss or gain in efficiency, and the difference between the cash inflows resulting from the share sale transaction and the fair value carried in the financial position statement of the related associate, amounting to TRY 455.426, is accounted for under the statement of profit or loss and other comprehensive income.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 3 - INTEREST IN OTHER ENTITIES (Continued)

Movement in investments-in-associates during the years 2022 and 2021 are as follows:

	2022	2021
<b>1 January</b>	<b>496,337,143</b>	<b>332,440,798</b>
Share of (losses)/ profit before taxation of investments-in-associates - net	150,987,296	32,668,677
Increase in revaluation reserve of investments-in-associates	181,523,933	114,528,742
Losses on remeasurements of investment defined benefit plans	(15,065,388)	(795,861)
Dividend income from investments-in-associates (Note 5.ii.e)	(16,715,331)	(11,852,412)
Purchase of affiliate shares (Capital reduction)	-	-
Currency translation reserve	15,517,145	16,061,727
Elimination of net effect of unrealized profits on inventory	(679,806)	(326,569)
(Decrease)/ increase due to other changes (Note 2.3)	594,462	594,463
Other gains (losses) of associates accounted for using equity method	198,269,768	13,017,577
Affiliate share sales effect	(5,828,121)	-
Affiliate capital increase effect	2,483,636	-
<b>31 December</b>	<b>1,007,424,737</b>	<b>496,337,143</b>

Details of significant investment-in-associates of the Company as of 31 December 2022 and 2021 are as follows:

Associates	Nature of business	Business location
- YBP	Marketing and distribution	Turkey
- Çamlı Yem	Livestock and feed production	Turkey
- Desa Enerji	Energy production	Turkey
- Pinar Foods	Marketing and distribution	Germany

The following tables present summarized financial information for the Company's subsidiaries. The disclosed information reflects the amounts presented in the financial statements of the relevant subsidiaries and these amounts are not the Company's shares. These have been modified to reflect the change in accounting policies.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 3 - INTEREST IN OTHER ENTITIES (Continued)**

(*) Revised	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
Statement of Summary Financial Position	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Current Assets</b>								
Cash and Cash equivalents	63,160,959	34,147,803	44,173,134	14,637,003	21,817,332	13,619,763	12,925,657	35,522,664
Other Current Assets	1,279,616,981	574,059,187	796,170,503	623,196,999	147,411,769	31,240,789	125,186,342	57,843,035
<b>Total Current Assets</b>	<b>1,342,777,940</b>	<b>608,206,990</b>	<b>840,343,637</b>	<b>637,834,002</b>	<b>169,229,101</b>	<b>44,860,552</b>	<b>138,111,999</b>	<b>93,365,700</b>
<b>Non-Current Assets</b>	<b>1,710,890,961</b>	<b>806,582,654</b>	<b>1,458,726,686</b>	<b>714,895,307</b>	<b>113,537,380</b>	<b>102,498,131</b>	<b>8,956,207</b>	<b>8,886,409</b>
<b>Short-Term Liabilities</b>								
Financial Liabilities (Excluding Trade Payables)	88,839,054	54,511,370	611,868,448	399,964,296	311,404	169,032	5,427,582	3,133,044
Other Short Term Liabilities	1,305,503,619	637,273,577	558,201,585	343,618,723	109,292,585	24,662,911	2,393,914	305,175
<b>Total Short-Term Liabilities</b>	<b>1,394,342,673</b>	<b>691,784,947</b>	<b>1,170,070,033</b>	<b>743,583,019</b>	<b>109,603,989</b>	<b>24,831,943</b>	<b>7,821,496</b>	<b>3,438,219</b>
<b>Long-Term Liabilities</b>								
Financial Liabilities (Excluding Trade Payables)	3,386,998	15,987,793	14,889,837	62,959,654	1,108,208	868,242	3,649,755	5,893,781
Other Long-Term liabilities	161,981,831	59,466,923	169,839,437	113,896,075	4,977,424	12,508,383	-	-
<b>Total Long-Term Liabilities</b>	<b>165,368,829</b>	<b>75,454,716</b>	<b>184,729,274</b>	<b>176,855,729</b>	<b>6,085,032</b>	<b>13,376,625</b>	<b>3,649,755</b>	<b>5,893,781</b>
<b>Net Assets</b>	<b>1,493,957,399</b>	<b>647,549,981</b>	<b>944,271,016</b>	<b>432,290,561</b>	<b>167,076,860</b>	<b>109,150,114</b>	<b>135,596,957</b>	<b>92,920,109</b>

(\*) Note 2.5

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 3 - INTEREST IN OTHER ENTITIES (Continued)

(\*) Revised

Reconciliation of Net Book Values	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<i>1 January Opening Value of Net Assets</i>	647,549,981	452,884,829	432,290,561	233,652,763	233,652,763	48,432,719	109,150,114	53,512,025
<i>Profit (Loss) for the year</i>	285,710,088	83,229,947	70,367,294	(33,283,628)	44,056,997	19,094,503	10,710,052	4,011,310
<i>Other Comprehensive Income (Expense)</i>	595,089,080	136,348,765	430,994,717	231,921,428	27,891,326	49,489,978	-	-
<i>Dividends paid</i>	(34,391,750)	(24,913,561)	-	-	(13,999,113)	(7,867,087)	-	-
<i>Capital decrease</i>	-	-	10,618,443	-	-	-	-	-
<i>Foreign currency translation differences</i>	-	-	-	-	-	-	-	35,396,773
<b>Closing Value of Net Assets</b>	<b>1,493,957,397</b>	<b>647,549,980</b>	<b>944,271,015</b>	<b>432,290,562</b>	<b>167,099,323</b>	<b>109,150,113</b>	<b>135,596,958</b>	<b>92,920,107</b>
Company's share in %	42.78%	42.78%	23.38%	23.38%	21.55%	26.41%	44.94%	44.94%
Company's share in TRY	688,754,955	324,680,801	221,724,689	101,069,534	36,007,828	28,828,519	60,937,265	41,758,290
<b>Book Value</b>	<b>688,754,955</b>	<b>324,680,801</b>	<b>221,724,689</b>	<b>101,069,534</b>	<b>36,007,828</b>	<b>28,828,519</b>	<b>60,937,265</b>	<b>41,758,290</b>

(\*) Note 2,5

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 3 - INTEREST IN OTHER ENTITIES (Continued)**

(*) Revised Summary Comprehensive Income Statement	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Revenue	7,368,323,498	3,486,632,759	1,878,756,698	1,029,045,019	660,927,581	139,609,376	302,011,588	163,091,185
Interest Income	9,664,028	1,911,348	566,783	453,840	7,628,819	1,405,003	-	-
Depreciation and amortization	(9,970,351)	(16,733,950)	(23,277,658)	(18,766,932)	(18,551,031)	(7,595,554)	(66,613)	(72,613)
Interest Expense	(12,687,805)	(13,102,618)	(97,222,725)	(51,483,042)	(202,406)	-	-	-
Income Tax Expense	(30,394,299)	(13,349,590)	-	-	(11,848,845)	(5,266,281)	(4,013,013)	(1,806,339)
<b>Profit Before the Year From Continuing Operations</b>	<b>285,710,088</b>	<b>83,229,947</b>	<b>70,367,294</b>	<b>(33,283,628)</b>	<b>44,056,997</b>	<b>19,094,503</b>	<b>10,710,052</b>	<b>4,011,310</b>
<b>Profit(Loss) for the Year</b>	<b>285,710,088</b>	<b>83,229,947</b>	<b>70,367,294</b>	<b>(33,283,628)</b>	<b>44,056,997</b>	<b>19,094,503</b>	<b>10,710,052</b>	<b>4,011,310</b>
Other Comprehensive Income(Expense)	595,089,080	136,348,765	430,994,717	231,921,428	27,891,326	49,489,978	-	-
<b>Total Comprehensive Income</b>	<b>880,799,168</b>	<b>219,578,712</b>	<b>501,362,011</b>	<b>198,637,800</b>	<b>71,948,323</b>	<b>68,584,481</b>	<b>10,710,052</b>	<b>4,011,310</b>

(\*) Note 2,5

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Cash in hand	-	29,801
Banks	44,531,627	36,725,820
- Demand deposits	18,981,627	2,149,382
- Time deposits	25,550,000	34,576,438
Other	11,681,197	6,416,383
<b>Total</b>	<b>56,212,824</b>	<b>43,172,004</b>

As of 31 December 2021, the company has time deposits less than one month with an 18.02% effective weighted average annual interest rate in TRY (31 December 2021: The Company has time deposits less than one month with an 23.35% effective weighted average annual interest rate in TRY).

Based on the independent data with respect to the credit risk assessment of the banks, at which the Company has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Due from and due to related parties and the transactions with related parties as of and for the years ended 31 December 2022 and 2021 are as follows:

**i) Balances with related parties:****a) Trade receivables from related parties-current:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
YBP <sup>(1)</sup>	260,794,653	132,494,053
YDT <sup>(2)</sup>	52,853,949	31,461,911
Other	144,628	120,325
<b>Total</b>	<b>313,793,230</b>	<b>164,076,289</b>

Average maturity of short-term trade receivables from related parties as of 31 December 2022 is 2 months (31 December 2021: 3 months).

The total overdue trade receivables from related parties includes TRY 34,078,243 as of 31 December 2022 (31 December 2021: TRY 21,834,818). The aging of the receivables is shown at Note 33.a.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**i) Balances with related parties (Continued):**

**b) Other short-term receivables from related parties:**

	31 December 2022	31 December 2021
Yaşar Holding <sup>(3)</sup>	125,804,167	116,277,220
Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("Dyo Boya") <sup>(2)</sup>	35,633	-
<b>Total</b>	<b>125,839,800</b>	<b>116,277,220</b>

As of 31 December 2022, the Company has non-trade receivables amounting to TRY14,558,003 from Yaşar Holding with an effective interest rate of 20,25% and for denominated receivables, respectively (31 December 2021: Non-trade receivables amounting to TRY26,277,200 with an effective interest rate of 19.75%).

As of 31 December 2022, the Company has a transfer loan of TRY111,246,164 to Yaşar Holding with an interest rate of 17,37% (31 December 2021: TRY90,000,000, interest rate of 16.01%).

**c) Short-term trade payables to related parties:**

Çamlı Yem <sup>(1)</sup>	64,123,610	32,801,861
Yaşar Holding	8,290,711	3,650,286
Hedef Ziraat Tic. ve San. A.Ş. ("Hedef Ziraat") <sup>(4)</sup>	26,201	292,860
Other	4,062,535	572,318
<b>Total</b>	<b>76,503,057</b>	<b>37,317,325</b>

The Company's debts to Çamlı Yem consist mainly of turkey purchases.

Average maturity of short-term trade payables to related parties as of 31 December 2022 is 2 months (31 December 2021: 2 months).

**d) Other short-term payables to related parties:**

As of 31 December 2022, TRY1,097,011 of other short-term payables to related parties consists of the allocation of the board of directors based on the decision taken at the Ordinary General Assembly Meeting held on 25 March 2021 (31 December 2021: TRY3,237,011)

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)****ii) Transactions with related parties:****a) Product sales:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
YBP	1,581,558,890	834,227,284
YDT	76,935,191	37,310,104
Çamlı Yem	19,900,768	9,635,085
Other	2,240,814	1,020,567
<b>Total</b>	<b>1,680,635,663</b>	<b>882,193,040</b>

Majority of the Company's sales in domestic market are made to its associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies.

**b) Service sales:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
YDT	2,548,884	885,552
Yaşar Bilgi A.Ş. ("Yabim") (2)	1,160,734	474,468
YBP	407,108	235,684
Pınar Süt Mamülleri Sanayi A.Ş. ("Pınar Süt") (2)	355,758	94,667
Çamlı Yem	48,839	18,245
Other	357,951	409,389
<b>Total</b>	<b>4,879,274</b>	<b>2,118,005</b>

**c) Income from investment activities:**

Yaşar Holding	24,481,290	15,220,645
<b>Total</b>	<b>24,481,290</b>	<b>15,220,645</b>

Income from investment activities consists of the overdue charges and interest income due to the non-commercial receivables of the Company and the interest income of the borrowings transferred under the same conditions.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**ii) Transactions with related parties (Continued):**

**d) Dividends received:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
YBP (*)	13,772,558	9,845,864
Desa Enerji (*)	2,942,773	2,006,548
Bintur Turizm ve Catering Hizmetleri A.Ş. ("Bintur") <sup>(2)</sup>	14,820	10,835
<b>Total</b>	<b>16,730,151</b>	<b>11,863,247</b>

(\*) Subsidiary (Note 3).

**e) Other incomes from related parties:**

YDT	12,622,782	11,945,431
YBP	2,419,126	2,512,793
Other	1,893,370	373,907
<b>Total</b>	<b>16,935,278</b>	<b>14,832,131</b>

Other incomes from related parties includes maturity differences and rental income from YBP, foreign exchange income from YDT and rental income.

**f) Product purchases:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Çamlı Yem	472,928,055	191,776,457
Pınar Süt	7,903,210	770,381
Hedef Ziraat	6,735,599	2,995,132
Other	504,888	41,439
<b>Total</b>	<b>488,071,752</b>	<b>195,583,409</b>

The product purchases performed from Çamlı Yem are mainly related to turkey.

**g) Service purchases:**

Yaşar Holding	23,790,766	12,838,912
YBP	11,094,812	4,683,127
Yabim	4,859,157	2,878,605
YDT	3,681,323	1,984,810
Bintur	612,512	100,658
Other	5,841,564	2,298,364
<b>Total</b>	<b>49,880,134</b>	<b>24,784,476</b>

Service purchases from Yaşar Holding are related to sundry and consultancy services. Service purchases from YBP are related to promotion and advertisement. Service purchases from Yabim are related to IT services. Service purchases from YDT, on the other hand, include expenses related to export expenses and commission reflections services.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**ii) Transactions with related parties (Continued):**

**h) Dividends to related parties (\*):**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Yaşar Holding	28,641,830	35,684,880
Pınar Süt	6,651,147	8,286,663
Yaşar Eğitim ve Kültür Vakfı <sup>(2)</sup>	3,350,183	2,153,140
Other	5,827,756	3,784,611
<b>Total</b>	<b>44,470,916</b>	<b>49,909,294</b>

(\*) In the Ordinary General Assembly Meeting for the year 2021 as of 25 March 2021, it has been decided to distribute dividend amounting to TRY62,018,883 (31 December 2021: TRY71,772,340). TRY17,547,967 portion of this dividend (31 December 2021: TRY21,863,046) was paid to other shareholders.

**i) Key management compensation:**

Key management includes members of board of directors, general manager and directors. The compensation paid or payable to key management are shown below:

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Total short-term employee benefits	14,630,996	9,481,795
Other long-term benefits	2,053,861	413,214
<b>Total</b>	<b>16,684,857</b>	<b>9,895,009</b>

The portion of total short-term benefits amounting to TRY5,800,000 (31 December 2021: TRY3,750,000) consists of Board of Directors appropriation according to the decision taken at the Ordinary General Assembly.

**NOTE 6 - TRADE RECEIVABLES AND PAYABLES**

**a) Short-term trade receivables:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Customer current accounts	66,276,128	38,336,501
Cheques and notes receivable	6,438,912	5,647,894
	<b>72,715,040</b>	<b>43,984,395</b>
Less: Provision for impairment of receivables	(1,024,973)	(1,391,914)
	<b>71,690,067</b>	<b>42,592,481</b>

The average maturity of checks, notes and customer accounts is 2 months (31 December 2021: 2 months).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)**

**a) Short-term trade receivables (Continued):**

The aging of trade receivables as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Overdue	6,369,006	3,180,173
0 - 30 days	19,340,019	16,954,023
31 - 60 days	45,231,042	18,878,438
61 - 90 days	-	1,479,847
91 days and over	750,000	2,100,000
<b>Total</b>	<b>71,690,067</b>	<b>42,592,481</b>

As of 31 December 2022, trade receivables of TRY6,369,006 (31 December 2021: TRY3,180,173), over which no provision for impairment is provided, were past due. The Company Management does not expect any collection risk regarding those receivables based on its past experience (Note 33.a).

As of 31 December 2022 and 2021, the aging of the overdue receivables are as follows:

	31 December 2022	31 December 2021
0 - 30 days	5,721,689	2,887,088
30 days and over	647,317	293,085
<b>Total</b>	<b>6,369,006</b>	<b>3,180,173</b>

Movement table of doubtful receivable provision is as follows:

<b>1 January</b>	<b>1,391,914</b>	<b>1,392,161</b>
Provisions no longer required	(390,000)	(247)
Provision for reserved amount	23,059	-
<b>31 December</b>	<b>1,024,973</b>	<b>1,391,914</b>

**b) Short-term trade payables :**

	31 December 2022	31 December 2021
Supplier current accounts	296,201,015	194,415,008
<b>Total</b>	<b>296,201,015</b>	<b>194,415,008</b>

The average maturity of trade payables is 2 months (31 December 2021: 1 month).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 7 - OTHER RECEIVABLES AND PAYABLES****a) Other short-term receivables from third parties:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Receivables from the Tax Authority	57,149,103	-
Other	49,907	68,733
<b>Total</b>	<b>57,199,010</b>	<b>68,733</b>

**b) Short-term other payables :**

Installed tax liabilities	54,806,893	-
Taxes and funds payable	5,871,617	4,713,383
Other	45,788	45,928
<b>Total</b>	<b>60,724,298</b>	<b>4,759,311</b>

**NOTE 8 – INVENTORIES**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Raw materials	59,332,389	29,345,102
Raw materials in transit	10,217,928	3,961,677
Work in progress	102,147,278	32,587,160
Finished goods	65,502,867	30,346,151
Spare parts	15,440,411	8,606,969
Other	7,663,736	2,621,244
<b>Total</b>	<b>260,304,609</b>	<b>107,468,303</b>

The costs of inventories recognized as expense and included in cost of sales amounted to TRY1,307,492,360 (31 December 2021: TRY770,837,231) (Note 18). Inventories are carried at cost, and there are no inventories valued at fair value less costs to sell.

**NOTE 9 - BIOLOGICAL ASSETS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Poultry	99,731,522	-
Cattle	38,691,484	30,004,552
<b>Total</b>	<b>138,423,006</b>	<b>30,004,552</b>

The Company raises of livestock comprising calf for slaughter. As of 31 December 2022, there are total of 1,269 units (31 December 2021: 1,749 units). turkeys are 512,336 units (31 Aralık 2021: None).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 9 - BIOLOGICAL ASSETS (Continued)**

The movement of biological assets during the year are as follows:

	2022	2021
<b>Beginning of the period (1 January)</b>	<b>30,004,552</b>	<b>17,263,737</b>
Increase due to production and purchases	557,265,773	25,331,371
Sales and mortality during the year	(448,895,836)	(15,341,999)
Gain / (losses) arising from changes in fair value less estimated point-of-sale costs-net	2,623,098	2,574,581
Current year realization of previous year fair value differences through current year sales	(2,574,581)	176,862
<b>Period end (31 December)</b>	<b>138,423,006</b>	<b>30,004,552</b>

**NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short-term prepaid expenses**

	31 December 2022	31 December 2021
Advances given	8,949,096	3,437,852
Prepaid expenses	1,813,797	904,825
<b>Total</b>	<b>10,762,893</b>	<b>4,342,677</b>

**b) Long-term prepaid expenses**

Advances given	3,279,834	1,067,688
<b>Total</b>	<b>3,279,834</b>	<b>1,067,688</b>

**c) Deferred income**

Advances received	1,137,567	323,672
<b>Total</b>	<b>1,137,567</b>	<b>323,672</b>

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2022 were as follows:

	1 January 2022	Additions	Disposals	Transfers	Net off Accumulated Depreciation Before Revaluation	Increase in Revaluation	31 December 2022
<b>Cost/ revaluation:</b>							
Land	333,420,980	-	-	-	-	1,026,537,170	1,359,958,150
Buildings and land improvements	136,571,472	1,691,890	-	15,569,048	(5,386,788)	190,679,347	339,124,969
Machinery and equipment	283,603,931	10,297,383	(186,849)	1,011,795	-	-	294,726,260
Furniture and fixtures	51,230,363	4,135,875	(850,088)	-	-	-	54,516,150
Motor vehicles	4,644,894	317,797	(17,588)	-	-	-	4,945,103
Construction in progress	-	20,736,709	-	(16,580,843)	-	-	4,155,866
	<b>809,471,640</b>	<b>37,179,654</b>	<b>(1,054,525)</b>	<b>-</b>	<b>(5,386,788)</b>	<b>1,217,216,517</b>	<b>2,057,426,498</b>
<b>Accumulated depreciation (-):</b>							
Buildings and land improvements	-	(5,386,788)	-	-	5,386,788	-	-
Machinery and equipment	-	(22,246,745)	186,850	-	-	-	(22,059,895)
Furniture and fixtures	(39,556,053)	(2,965,612)	825,706	-	-	-	(41,695,959)
Motor vehicles	(2,906,324)	(478,091)	17,589	-	-	-	(3,366,826)
	<b>(42,462,377)</b>	<b>(31,077,236)</b>	<b>1,030,145</b>	<b>-</b>	<b>5,386,788</b>	<b>-</b>	<b>(67,122,680)</b>
<b>Net book value</b>	<b>767,009,263</b>		<b>1,990,303,818</b>				

A significant portion of the additions to machinery and equipment in 2021 consists of modernization investments for the automation of sliced automation lines and baking ovens.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2021 were as follows:

	1 January 2021	Additions	Disposals	Transfers	Net off Accumulated Depreciation Before Revaluation	Increase in Revaluation	31 December 2021
<b>Cost/ revaluation:</b>							
Land	165,122,476	-	-	-	-	168,298,504	333,420,980
Buildings and land improvements	80,467,127	153,969	-	4,070,937	(5,753,091)	57,632,530	136,571,472
Machinery and equipment	129,820,447	59,989,646	(1,279,929)	1,619,034	(33,783,205)	127,237,938	283,603,931
Furniture and fixtures	48,446,652	3,438,694	(821,796)	166,813	-	-	51,230,363
Motor vehicles	2,589,499	2,066,700	(11,305)	-	-	-	4,644,894
Construction in progress	338,809	5,517,975	-	(5,856,784)	-	-	-
	<b>426,785,010</b>	<b>71,166,984</b>	<b>(2,113,030)</b>	<b>-</b>	<b>(39,536,296)</b>	<b>353,168,972</b>	<b>809,471,640</b>
<b>Accumulated depreciation (-):</b>							
Buildings and land improvements	-	(5,386,788)	-	-	5,386,788	-	-
Machinery and equipment	-	(22,246,745)	186,850	-	-	-	(22,059,895)
Furniture and fixtures	(39,556,053)	(2,965,612)	825,706	-	-	-	(41,695,959)
Motor vehicles	-	-	-	-	-	-	-
	<b>(64,668,069)</b>	<b>(19,081,530)</b>	<b>1,750,926</b>	<b>-</b>	<b>39,536,296</b>	<b>-</b>	<b>(42,462,377)</b>
<b>Net book value</b>	<b>362,116,941</b>						<b>767,009,263</b>

The additions of machinery and equipment in 2021 consists packaging line automations and modernization investments related to the production machineries.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Current year's depreciation and amortization charges were allocated to cost of goods sold by TRY24,119,917 (2021: TRY14,572,873), to the cost of inventories by TRY1,510,089 (2021: TRY991,575), to general administrative expenses by TRY3,271,967 (2021: TRY2,155,754) (Note 22.a), to marketing expenses by TRY3,295,280 (2021: TRY2,818,116) (Note 22.b), to research and development expenses by TRY3,318,097 (2021: TRY1,690,884) (Note 22.c).

Movements in revaluation reserve related to land, buildings, land improvements, machinery and equipment as of 31 December 2022 and 2021 were as follows:

<b>1 January 2021</b>	<b>200,578,955</b>
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements, machinery and equipment - net	197,574,678
Funds increase due to revaluation of machinery, plant and equipment	101,790,350
Deferred tax calculated on valuation within the scope of Law No. 7326	7,651,688
Funds disposal due to sale of property, plant and equipment	(198,753)
Depreciation transfers due to revaluation increase classified in retained earnings - net	(6,111,915)
Deferred tax calculated on the depreciation of the revaluation fund classified in retained earnings	1,222,383
<b>31 December 2021</b>	<b>502,507,386</b>
<b>1 January 2022</b>	<b>502,507,386</b>
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements, machinery and equipment - net	1,076,426,929
Deferred tax calculated over temporary 32 numbered 213 and repeated 298 of VUK	17,934,633
Depreciation transfers due to revaluation increase classified in retained earnings - net	(17,222,719)
Deferred tax calculated on the depreciation of the revaluation fund classified in retained earnings	3,444,544
<b>31 December 2022</b>	<b>1,583,090,773</b>

The carrying amounts of each class of property, plant and equipment that would have been recognized if the assets have been carried under the cost model at 31 December 2022 and 2021, are as follows:

<b>31 December 2022:</b>	<b>Land</b>	<b>Land, improvements and buildings</b>	<b>Machinery and equipment</b>
Cost	16,941,447	83,183,046	261,275,544
Less: Accumulated depreciation	-	(37,191,433)	(129,230,729)
<b>Net book value</b>	<b>16,941,447</b>	<b>45,991,613</b>	<b>132,044,815</b>
<b>31 December 2021:</b>			
Cost	16,941,447	65,559,204	250,153,216
Less: Accumulated depreciation	-	(30,945,814)	(120,990,384)
<b>Net book value</b>	<b>16,941,447</b>	<b>34,613,390</b>	<b>129,162,832</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 12 - INTANGIBLE ASSETS**

The movements of intangible assets and related accumulated amortization for the years ended 31 December 2022 and 2021 were as follows:

	1 January 2022 Opening	Additions	31 December 2022 Closing
<b>Cost:</b>			
Rights	26,380,740	6,873,932	33,254,672
Accumulated amortization	(21,630,320)	(3,611,455)	(25,241,775)
<b>Net book value</b>	<b>4,750,420</b>	<b>3,642,477</b>	<b>8,012,897</b>

	1 January 2021 Opening	Additions	31 December 2021 Closing
<b>Cost:</b>			
Rights	23,584,759	2,795,981	26,380,740
Accumulated amortization	(19,853,242)	(1,777,078)	(21,630,320)
<b>Net book value</b>	<b>3,731,517</b>	<b>1,018,903</b>	<b>4,750,420</b>

**NOTE 13 - INVESTMENT PROPERTIES**

The movements of investment properties in the accounting periods of 1 January - 31 December 2022 and 2021 are as follows:

	1 January 2022	Additions	Fair Value Increase (Note 24.a)	31 December 2022
<b>Fair value:</b>				
Land, buildings and building improvements	37,120,000	362,903	43,837,097	81,320,000
<b>Total</b>	<b>37,120,000</b>	<b>362,903</b>	<b>43,837,097</b>	<b>81,320,000</b>

	1 January 2021	Fair Value Increase (Note 24.a)	31 December 2021
<b>Fair value:</b>			
Land, buildings and building improvements	23,230,000	13,890,000	37,120,000
<b>Total</b>	<b>23,230,000</b>	<b>13,890,000</b>	<b>37,120,000</b>

There is TRY542,120 rental income from investment properties in 2022 (2021: TRY345,692).

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 14 - GOVERNMENT GRANTS AND INCENTIVES

There are government incentives provided by under secretariat of Foreign Trade to the Company in the scope of Turquality project applied for support brandization of products made in Turkey in foreign markets and settle the image of Turkish goods. In the respect of the World Trade Organization Agriculture Agreement, incentive which is related with agricultural products are sold in foreign markets was given with the Minister of Council decision. In 2021, the Company recognized the government grant amounting to TRY977,343 (31 December 2021: TRY462,899) which was presented in other income.

The Company has various investment incentive certificates obtained in different dates and the Company utilizes these investment incentive certificates according to current legislation (Note 28).

#### NOTE 15 - BORROWINGS AND BORROWING COSTS

##### a) Short and Long-Term Borrowings From Third Parties:

	31 December 2022	31 December 2021
Short-term borrowings		
- TRY borrowings (*)	350,608,801	29,000,000
Short-term portions of long-term borrowings (**)	20,925,459	86,881,612
Lease liabilities (****)	1,275,510	1,144,414
<b>Short-term financial liabilities</b>	<b>372,809,770</b>	<b>117,026,026</b>
Long-term borrowings (***)	18,294,063	33,041,342
Long-term lease liabilities (****)	2,222,134	3,031,176
<b>Long-term financial liabilities</b>	<b>20,516,197</b>	<b>36,072,518</b>
<b>Total financial liabilities</b>	<b>393,325,967</b>	<b>153,098,544</b>

(\*) As of 31 December 2022, 39 million TL of short-term financial debts consists of subsidized agricultural loans with an annual average interest rate of 6.85%. The remaining amount consists of principal and interest accruals of spot and revolving loans received from various banks. The average annual interest rate for spot and revolving loans is 15.95%. (TRY 9 Million of short-term financial debt consists of subsidized agricultural loans with an annual average interest rate of 7.5% as of 31 December 2021, revolving loans with an annual interest rate of 26.50% of TRY 20 million were also used.)

(\*\*) As of 31 December 2022, TL 16.5 million of the short-term portion of long-term loans consists of an annual average interest rate of 4.1% and a maturity of 2024 Euro investment loan principal and interest accruals, and the remaining TL 4.3 million is annual interest rate. consists of 13.75% spot loans. (31 December 2021: TRY 70 million of short-term financial debts consists of spot loans with an annual average interest rate of 15.3%, maturity 2022 and investment loans with maturity between 2023-2026.)

(\*\*\*) As of 31 December 2022, long-term financial debt interest rate of 0.4 million Euro equivalent to 8.19 million TL consists of an annual average of 4.1%, investment loan principal and interest accrual with a maturity of 2024. The remaining 10.1 million TL consists of investment loan principal and interest accruals with an annual interest rate of 13.75%, which expires in 2026. (31 December 2021: long-term financial debt interest rate of EUR 1.2 million equivalent to TRY 18.6 million is 4.1% per annum, with an investment loan with a maturity of 2024 and an annual interest rate with a maturity of 2023 and 2026. It consists of investment loans of 14.75%.)

(\*\*\*\*) The Company's debts from rental consist the lease of cars, forklift trucks, farms and warehouses.

As of 31 December 2022, fair value of borrowings approximates to carrying amount.

The guarantees given by the Company regarding loans and financial liabilities are disclosed in Note 16.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
 (Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 15 - BORROWINGS AND BORROWING COSTS (Continued)**

**b) Other financial liabilities:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Other financial liabilities	29,118,998	14,148,192
<b>Total</b>	<b>29,118,998</b>	<b>14,148,192</b>

As of 31 December 2022 and 2021, other financial liabilities consist of credit card debt. Movement of net borrowings as of 31 December 2022 and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>124,074,732</b>	<b>63,491,169</b>
Cash inflows from borrowings	916,169,436	143,915,967
Cash outflows from debt payments	(668,936,019)	(69,047,690)
Lease liabilities - net	7,964,812	6,011,606
Change in cash and cash equivalents	(13,040,820)	(20,296,320)
<b>31 December (Note 33,d)</b>	<b>366,232,141</b>	<b>124,074,732</b>

**NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

**a) Short-term provisions:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Provision for litigations	253,365	253,365
<b>Total</b>	<b>253,365</b>	<b>253,365</b>

**b) Guarantees given:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Letters of guarantee	56,405,903	920,821
<b>Total</b>	<b>56,405,903</b>	<b>920,821</b>

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)

##### b) Guarantees given (Continued):

The collaterals, pledges and mortgages ('CPM') position of the Company for the years ended 31 December 2022 and 2021 were as follows:

	31 December 2022			31 December 2021		
	Currency	Amount	TRY Equivalent	Currency	Amount	TRY Equivalent
<b>CPM provided by the Company:</b>						
<b>A.</b> Total amount of CPM given for the Company's own legal personality	TL	56,405,903	56,405,903	TL	920,821	920,821
<b>B.</b> Total amount of CPM given on behalf of fully consolidated companies		-	-		-	-
<b>C.</b> Total amount of CPM given for continuation of its economic activities on behalf of third parties		-	-		-	-
<b>D.</b> Total amount of other CPM		-	-		-	-
<b>i.</b> Total amount of CPM given to on behalf of the majority shareholder		-	-		-	-
<b>ii.</b> Total amount of CPM given to on behalf of other Group companies which are not in scope of B and C		-	-		-	-
<b>iii.</b> Total amount of CPM given on behalf of third parties which are not in scope of C		-	-		-	-
<b>TOTAL</b>			<b>56,405,903</b>			<b>920,821</b>

The ratio of total amount of other CPM to Equity %0 %0

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)**

**c) Guarantees received:**

	31 December 2022			31 December 2021		
	Currency	Amount	TRY Equivalent	Currency	Amount	TRY Equivalent
Mortgages	TRY	7,221,088	7,221,088	TRY	9,500,000	9,500,000
Letters of guarantee	TRY	24,516,813	24,516,813	TRY	16,275,500	16,275,500
	EUR	133,255	2,656,425	EUR	197,250	2,896,084
	TRY	518,000	518,000	TRY	518,000	518,000
Guarantee notes and cheques	USD	50,000	934,915	USD	50,000	648,875
<b>Total</b>			<b>35,847,241</b>			<b>29,838,459</b>

As of 31 December 2022, bails received from related parties is TRY7,221,088 (31 December 2021: TRY9,500,000).

**NOTE 17 - EMPLOYMENT TERMINATION BENEFITS**

**a) Payable due to employee benefits**

	31 December 2022	31 December 2021
Social security premiums payable	4,069,711	2,419,109
Other	1,450,019	2,921,683
<b>Total</b>	<b>5,519,730</b>	<b>5,340,792</b>

**b) Short-term provisions due to employee benefits**

Provision for seniority incentive bonus	1,674,896	1,102,785
<b>Total</b>	<b>1,674,896</b>	<b>1,102,785</b>

**c) Long-term provisions due to employee benefits**

Provision employment termination benefits	141,205,557	51,017,267
Provision for seniority incentive bonus	2,104,201	1,194,330
Other	1,053,261	1,053,261
<b>Total</b>	<b>144,363,019</b>	<b>53,264,858</b>

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

## PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

##### NOTE 17 - EMPLOYMENT TERMINATION BENEFITS (Continued)

The amount payable consists of one month's salary limited to a maximum of TRY15,371.40 as of 31 December 2022 (31 December 2021: TRY8,284.51). The liability is not funded, and there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees based on actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TRY19,982.83 which is effective from 1 January 2023 (1 January 2022: TRY10,848.59) has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2022	31 December 2021
Discount rate (%)	0,50	4,35
Probability of retirement (%)	98,75	98,84

Movements of the provision for employment termination benefits during the years are as follows:

	2022	2021
<b>1 January</b>	<b>51,017,267</b>	<b>37,069,740</b>
Interest costs	14,904,628	12,295,284
Actuarial losses	69,894,458	7,235,510
Paid during the year	(5,084,495)	(9,385,745)
Current service cost	10,473,699	3,802,478
<b>31 December</b>	<b>141,205,557</b>	<b>51,017,267</b>

##### NOTE 18 - EXPENSES BY NATURE

	1 January - 31 December 2022	1 January - 31 December 2021
Direct material costs	1,307,492,360	770,837,231
Staff cost	185,353,244	102,492,803
Energy Costs	139,166,554	31,371,638
Outsourced services	96,277,698	34,521,875
Advertisement	35,633,823	19,722,551
Amortization costs	35,515,350	22,229,201
Maintenance and repair expenses	30,872,226	18,589,122
Shipping costs	28,694,184	5,571,942
Consultancy charges	25,383,382	13,668,659
Other	37,248,131	12,857,419
<b>Total</b>	<b>1,921,636,952</b>	<b>1,031,862,441</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 18 - EXPENSES BY NATURE (Continued)**

***Fees for Services Received from Independent Audit Firm***

Information regarding the fees for the services received from the independent audit firms, in accordance with the letter of POA dated 19 August 2021 that was prepared considering the Board Decision published in the Official Gazette on 30 March 2021, is as follows:

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Independent audit fee related reporting period	260,000	117,250
<b>Total</b>	<b>260,000</b>	<b>117,250</b>

**NOTE 19 - OTHER ASSETS AND LIABILITIES**

**a) Other current assets:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Deferred VAT	19,299,509	2,870,748
Income accrual	1,372,406	436,921
<b>Total</b>	<b>20,671,915</b>	<b>3,307,669</b>

**b) Other current liabilities:**

Expense accrual	11,768	4,345
<b>Total</b>	<b>11,768</b>	<b>4,345</b>

**NOTE 20 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr1. The Company's historical authorized registered capital at 31 December 2022 and 2021 are as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Registered share capital (historical values)	100,000,000	100,000,000
Authorized registered share capital with a nominal value	43,335,000	43,335,000

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 20 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

The compositions of the Company's share capital at 31 December 2022 and 2021 were as follows:

Shareholders	31 December 2022		31 December 2021	
	Share Amount(TL)	Share (%)	Share Amount(TL)	Share (%)
Yaşar Holding (A,B)	23,476,895	54	23,476,895	54
Pınar Süt (A,B)	5,451,752	13	5,451,752	13
Halka açık kısım (A,B)	14,406,353	33	14,406,353	33
<b>Share capital</b>	<b>43,335,000</b>		<b>43,335,000</b>	
Adjustment to share capital	37,059,553		37,059,553	
<b>Total share capital</b>	<b>80,394,553</b>		<b>80,394,553</b>	

Adjustment to share capital amounting to TRY37,059,553 (31 December 2021: TRY37,059,553) represents the remaining amount after net-off the accumulated losses of 2003 from the difference between restated (inflation adjusted) share capital and historical cost of share capital (before inflation adjustment).

The companies registered in Turkey can exceed authorized registered share capital by the way of increasing bonus shares from capital reserves, except for by cash, at once. However, capital increase by cash shall not exceed authorized registered share capital.

As at 31 December 2022, there are 4,333,500,000 (31 December 2021: 4,333,500,000) shares with Kr1 each.

The Company's capital is composed of 1,500,000 units of A type bearer share and 4,332,000,000 units of B type bearer share, and the B type bearer shares are traded on ISE. The business and administration of the Company shall be carried out by a Board of Directors consisting of 5, 7 and 9 members to be elected by the General Assembly under the provisions of the Turkish Commercial Code and Capital Markets Board regulations. If the Board of Directors consists of 5 members, if it consists of 3 or 7 members, if it consists of 4 or 9 members, 5 members will be selected among the candidates to be shown by the shareholders of group 'A' and among the candidates to be shown by shareholders 'B' group. If the Board of Directors decides, the Managing Director/ Members may be elected. However, the Chairman of the Board of Directors and the Managing Director/ Members are selected among the members representing group 'A'.

The Board of Directors is authorized to issue shares above or below the privileged and nominal value to restrict new capital requirements in separate groups in accordance with the provisions of the Capital Markets Law and to restrict shareholders' rights to acquire new shares or to restrict the rights of privileged shareholders. At the end of the capital increases to be made from internal sources, bonus shares are given to existing shareholders in proportion to their shares. Retained earnings in the statutory books may be distributed, with the exception of the legal reserves stated below:

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 20 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)**

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. According to the Turkish Commercial Code, the first legal reserve is appropriated as 5% of the statutory net profit up to 20% of the paid-up capital of the company. The second legal reserve is 10% of the distributed profit exceeding 5% of the paid-up capital. According to the Turkish Commercial Code, the legal reserves can only be used to offset losses, unless they exceed 50% of the paid capital, and it is not possible to use them any other way.

In accordance with the announcements of CMB 'Share Capital', 'Restricted Reserves' and 'Share Premium' shall be carried at their statutory amounts. The valuation differences (e.g., the differences raise from inflation adjustments) shall be classified as follows:

- If it arises from the "Paid-in Capital" and has not been added to the capital yet, with the "Capital Adjustment Differences" item to be opened after the "Paid-in Capital" item.
- If it arises from "Restricted Reserves Allocated from Profit" and "Share Premiums" and has not been subject to profit distribution or capital increase yet, it should be associated with "Retained Earnings/(Loss)".

Capital adjustments differences have no other use other than being transferred to share capital.

Public companies can distribute dividends according to the CMB's Dividend Communiqué No. II-19.1, which entered into force as of February 1, 2014, and the Temporary Turkish Commercial Code No. 6102 published in the Official Gazette No. 31130 dated May 17, 2020. They do it in accordance with the Communiqué on the Procedures and Principles Regarding the Application of Article 13.

Companies shall distribute their profits in accordance with the profit distribution policies to be determined by the general assemblies and in accordance with the provisions of the relevant legislation. Within the scope of the aforementioned notification, a minimum distribution rate has not been determined. Companies pay dividends as set out in their articles of association or profit distribution policies. In addition, dividends may be paid in instalments of equal or different amounts and may distribute advance dividend in cash on the profit in the year-end financial statements.

In line with Article 26 of the Company's Articles of Association, previous year losses, if any, are deducted from the net period profit and then overall legal reserve and the first dividend are allocated according to the Capital Markets Board legislation. Of the remaining portion, an amount up to 5% can be set aside as allocation provision for the members of board of directors and for other items which the board of directors will determine and deem necessary in line with the decision made by the General Assembly. Based on CMB Communiqué, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of their articles of association and their previously publicly declared profit distribution policies. Dividend is distributed for shares available as of accounting period of all of them equally without regarding to the dates of issue and acquisition.

In accordance with the decision taken at the Ordinary General Assembly held on 25 March 2022, the Company has decided to distribute the distributable profit of 2021 amounting to TRY62,018,883 (31 December 2021: TRY71,772,340) as dividend and board of directors. In consideration of this profit distribution decision, the Company has allocated 'Restricted Reserves' which is amounting to TRY5,985,213 from the profit of year 2021. Since the general assembly for 2022 has not been made yet, no profit distribution decision has been taken.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 21 - REVENUE AND COST OF SALES**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Domestic sales	2,476,146,118	1,308,659,588
Export sales	77,262,081	37,310,104
<b>Gross Sales</b>	<b>2,553,408,199</b>	<b>1,345,969,692</b>
Less: Discounts	(382,744,577)	(206,455,262)
Returns	(50,542,954)	(21,955,661)
<b>Net Sales</b>	<b>2,120,120,668</b>	<b>1,117,558,769</b>
Change in fair value of biological assets	2,623,098	2,574,581
<b>Cost of Sales</b>	<b>(1,728,984,788)</b>	<b>(935,012,494)</b>
<b>Gross Profit</b>	<b>393,758,978</b>	<b>185,120,856</b>

**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES**

**a) General administrative expenses:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Staff cost	16,879,984	8,175,364
Consultancy charges	13,892,954	7,674,712
Outsourced services	10,943,296	7,053,300
Employment termination benefits	10,473,699	3,802,478
Depreciation and amortization	3,271,967	2,155,754
Taxes	1,230,783	554,144
Energy expenses	1,990,248	516,538
Repair and maintenance	340,955	148,506
Other	3,366,635	1,622,904
<b>Total</b>	<b>62,390,521</b>	<b>31,703,700</b>

**b) Marketing expenses:**

Advertisement	35,633,823	19,722,551
Energy costs	16,009,629	3,922,001
Staff cost	15,369,753	9,821,487
Shipping costs	13,902,179	4,696,757
Consultancy charges	11,447,918	5,934,896
Outsourced services	10,098,601	6,508,672
Maintenance and repair expenses	4,032,437	2,649,530
Depreciation and amortization	3,295,280	2,818,116
Other	13,292,503	4,514,705
<b>Total</b>	<b>123,082,123</b>	<b>60,588,715</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)**

**c) Research and development expenses:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Depreciation and amortization	3,318,097	1,690,884
Staff cost	2,289,678	1,745,909
Outsourced services	593,258	476,199
Other	978,487	644,539
<b>Total</b>	<b>7,179,520</b>	<b>4,557,531</b>

**NOTE 23 - OTHER OPERATING INCOME AND EXPENSES**

**a) Other operating income:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Foreign exchange gain	12,816,226	12,136,696
Income from sales of scrap	2,361,648	850,885
Rent income	1,984,295	1,386,701
Interest income	1,299,730	1,590,230
Other	4,282,404	992,344
<b>Total</b>	<b>22,744,303</b>	<b>16,956,856</b>

**b) Other operating expense:**

Foreign exchange gain	12,816,226	12,136,696
Income from sales of scrap	2,361,648	850,885
Rent income	1,984,295	1,386,701
Interest income	(359,500)	(275,560)
Other	(10,704,296)	(2,387,842)
<b>Total</b>	<b>(22,481,287)</b>	<b>(3,102,812)</b>

**NOTE 24 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

**a) Income from investment activities:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Investment property value increase	43,837,097	13,890,000
Interest income calculated on other receivables from related parties	24,481,290	15,147,116
Income from sales of property, plant and equipment	210,342	203,051
Other	14,820	10,835
<b>Total</b>	<b>68,543,549</b>	<b>29,251,002</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 24 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (Continued)****b) Expense from investment activities:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Loss on sale of securities	(455,426)	-
Loss from sales of property, plant and equipment	-	(163,247)
<b>Total</b>	<b>(455,426)</b>	<b>(163,247)</b>

**NOTE 25 - EXPENSES CLASSIFIED**

Please refer to Note 18.

**NOTE 26 - FINANCIAL INCOME AND EXPENSES****i. Financial Income:**

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Foreign exchange gain	1,525,530	9,046,693
Interest income	1,221,074	2,402,351
<b>Total</b>	<b>2,746,604</b>	<b>11,449,044</b>

**ii. Financial expense:**

Interest expense	(50,415,221)	(15,582,789)
Defined benefit plans interest cost	(14,904,628)	(12,295,284)
Foreign exchange loss	(9,103,087)	(11,298,345)
Bank commission expense	(4,457,425)	(558,961)
Other	(275,387)	(171,832)
<b>Total</b>	<b>(79,155,748)</b>	<b>(39,907,211)</b>

**NOTE 27 - ANALYSIS OF OTHER COMPREHENSIVE INCOME**

Please refer to other comprehensive income.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 28 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

As of 31 December 2022 and 2021, corporation taxes currently payable are as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Corporation taxes currently payable	22,489,733	2,179,437
Less: Prepaid corporate tax	(27,325,074)	(3,601,039)
<b>Current income tax (assets)/ liabilities</b>	<b>(4,835,341)</b>	<b>(1,421,602)</b>

In Turkey, the corporate tax rate is 23% as of 31 December 2022 (2021: 25%). It has been decided to apply a 1 point reduction in the corporate tax rate for exporting institutions and institutions engaged in production activities, which are included in the communiqué on the amendment of the Corporate Tax general communiqué serial number 1 published in the Official Gazette dated 14 May 2022, numbered 31835. The corporate tax rate is applied to the tax base to be found as a result of adding expenses that are not deductible in accordance with tax laws to the commercial income of institutions, and deducting exemptions (such as participation earnings exemption, investment discount exemption, etc.) and deductions (such as R&D discount) included in the tax laws. No further tax is paid if the profit is not distributed.

Corporation tax is payable at a rate on the total income of the Company after adjusting for certain disallowable expenses, exempt income (exemption for participation in subsidiaries, exemption for investment incentive allowance etc.) and allowances (e.g., research and development allowance). No further tax is payable unless the profit is distributed.

Dividends paid on-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (2021: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 23% (2021: 25%) on their corporate income. Advance tax is declared by 14<sup>th</sup> and payable by the 17<sup>th</sup> (2021: 17<sup>th</sup>) of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within 25<sup>th</sup> of fourth month following the close of the financial year to which they relate.

The tax authorities can review the accounting records within five years and if the faulty transaction is detected, the tax amounts may change due to tax assessment. According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the corporate income for a period of 5 years. However financial losses cannot be offsetted from retained earnings.

In Corporate Tax Law, there are many exemptions for corporations, those related to the Company are explained below:

Dividend income from shares in the capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) is exempt from corporate tax.

## PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 28 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The exemption to be applied over the capital gains obtained by the corporate taxpayers from the sale of their real estates that they have held for at least two years has been reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017. Accordingly, the corporate tax and deferred tax calculations calculated for the gains from the sale of immovable properties in 2020 and 2021 are 22% of the remaining 50% for 2020, 25% of the remaining 50% for 2021, and 2022. It will be calculated as 23% of the remaining 50% for the remaining periods and 20% of the remaining 50% for the following periods.

75% of the profits from sale of preferential right certificates and share premiums generated from sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax.

Accordingly, the aforementioned gains/ (losses) which have been included in trade profit/ (loss) have been taken into consideration in calculation of Company's corporate tax.

In the determination of the Corporate Tax base, besides the exceptions mentioned above, the discounts specified in the relevant provisions of the Corporate Tax Law and the Income Tax Law are considered.

#### *Transfer Pricing*

Corporations should set the prices in accordance with the arm's length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm's length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm's length transaction has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the company representing how arm's length price has been determined and the methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised manner through transfer pricing completely or partially, will be assessed as distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax. Previous taxation processes will be revised accordingly by tax player who distributes disguised profit. In order to adjust in this respect, the taxes assessed in the name of the company distributing dividends in a disguised manner must be finalized and paid.

The amount of disguised earnings will be finalized as the payment amount.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 28 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**

Taxation on expense in the statement of comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Current corporation tax expense	(22,489,733)	(2,179,437)
Deferred tax income	3,984,098	1,423,808
<b>Total taxation on expense</b>	<b>(18,505,635)</b>	<b>(755,629)</b>

The reconciliation of tax expense is as follows:

		(*) Revised
<b>Profit before tax</b>	<b>344,036,105</b>	<b>135,423,219</b>
Tax calculated at tax rates applicable to the profit	(75,687,943)	(36,916,368)
Expenses not deductible for tax purpose	(2,555,567)	(455,741)
Income not subject to tax	1,036,169	141,503
Tax effect of share in profits/ (losses) of affiliates	33,217,205	11,227,732
Tax effect upon the results of investments-in-associates	8,338,921	20,003,342
Additional deferred tax asset calculated on investment incentive	(61,499)	(197,150)
Other	17,207,079	5,441,053
<b>Total taxation on expense</b>	<b>(18,505,635)</b>	<b>(755,629)</b>

(\*) Note 2,5

**Deferred income taxes**

The company recognizes deferred income tax assets and liabilities based upon temporary differences arising between its financial statements are reported in accordance with the CMB Financial Reporting Standards and its tax purpose financial statements.

The corporate tax rate, which is 20%, pursuant to the temporary article 13 added to the Corporate Tax Law within the scope of the "Law on the Collection of Public Claims and Amendments to Certain Laws" numbered 7316, which was published in the Official Gazette dated April 22, 2021; It was increased to 25% for corporate earnings for 2021 and to 23% for corporate earnings for 2022.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 28 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2022 and 2021 using the enacted tax rates at the balance sheet dates are as follows:

	<b>Taxable cumulative temporary differences</b>		<b>Deferred income tax assets/(liabilities)</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Revaluation of property, plant and equipment	1,798,050,222	584,166,426	(222,516,745)	(83,558,203)
Differences between carrying cost before revaluation and tax base	(91,927,147)	(9,529,070)	18,676,594	2,196,979
Provision for employment termination benefits	(141,205,557)	(51,017,267)	28,241,111	10,203,453
Deferred tax calculated from financial assets held for sale	9,691,802	2,025,743	(338,109)	42,675
Investment incentives (*)	(2,516,647)	(2,674,615)	553,662	615,161
Investment property revaluation	65,182,538	21,345,441	(6,518,254)	(2,134,544)
Other	(33,980,470)	(15,187,709)	7,414,407	3,419,893
<b>Deferred income tax assets (liabilities) - net</b>			<b>(174,487,334)</b>	<b>(69,214,586)</b>

(\*) The company has investment incentive certificates related to production line investment. The Company management expects to benefit from the investment allowance amounting to TRY553,662 as of 31 December 2022 (31 December 2021: TRY615,161) in accordance with the related investment incentive certificates.

Movements in deferred income tax liabilities can be analysed as follows:

<b>1 January 2021</b>	<b>(25,849,161)</b>
Credited to statement of comprehensive income	1,423,808
Charged to actuarial loss arising from defined benefit plans	1,447,100
Calculated on revaluation fund	(46,152,259)
Fair value difference credited to other comprehensive income	(84,074)
<b>31 December 2021</b>	<b>(69,214,586)</b>
<b>1 January 2022</b>	<b>(69,214,586)</b>
Credited to statement of comprehensive income	3,984,098
Charged to actuarial loss arising from defined benefit plans	13,978,891
Calculated on revaluation fund	(380,783)
Fair value difference credited to other comprehensive income	(122,854,954)
<b>31 December 2022</b>	<b>(174,487,334)</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 29 - EARNINGS PER SHARE**

		1 January - 31 December 2022	(*) Revised 1 January - 31 December 2021
Profit for the period	A	325,530,470	134,667,590
Weighted number of 100 shares with a Kr1 face value (Note 20)	B	4,333,500,000	4,333,500,000
<b>Earnings per share with a Kr1 face value</b>	<b>A/B</b>	<b>7,5120</b>	<b>3,1076</b>

(\*) Note 2,5

There are no differences between basic and diluted earnings per share. Since the General Assembly meeting of the year 2022 has not been performed yet, dividend distribution decision has not been taken.

**NOTE 30 - EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES**

The foreign currency exposure of the Company is presented in Note 33.c.i.

**NOTE 31 - REPORTING IN HYPERINFLATIONARY ECONOMIES**

Please refer to Note 2.

**NOTE 32 - FINANCIAL INSTRUMENTS**

**Available for sale-investments**

	31 December 2022		31 December 2022	
	TRY	(%)	TRY	(%)
YDT	11,688,597	0,93	4,072,910	0,93
Bintur	242,950	1,33	192,578	1,33
Other	73,085	-	-	-
<b>Total</b>	<b>12,004,632</b>		<b>4,265,488</b>	

YDT and Bintur were stated at their fair values which were determined based on one of the generally accepted valuation methods, based on discounted cash flows. As of 31 December 2022, nominal discounts and growth rates are used in the fair value calculations.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 32 - FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2022 and 2021, the discount and growth rates used in discounted cash flow models are as follows:

	Discount Rate		Growth Rate	
	2022	2021	2022	2021
Bintur	%39,18	%25,84	%1	%1
YDT	%38,03	%24,87	%1	%1

Movements of available for sale investments are as follows:

	2022	2021
<b>1 January</b>	<b>4,265,488</b>	<b>2,544,588</b>
Fair value change - YDT	7,615,687	1,681,534
Fair value change - Bintur	50,372	39,366
Fair value change - Other	73,085	-
<b>31 December</b>	<b>12,004,632</b>	<b>4,265,488</b>

Movements of fair value reserve of available-for-sale investments are as follows:

	2022	2021
<b>1 January</b>	<b>3,344,094</b>	<b>1,707,271</b>
Change in fair value	7,666,058	1,720,900
Deferred income tax effect on fair value reserve of available for sale investments (Note 28)	(380,783)	(84,077)
<b>31 December</b>	<b>10,629,369</b>	<b>3,344,094</b>

#### NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow, fair value interest rate risk), capital risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets.

Risk management is carried out by the senior management and finance department of the Company under policies approved by Board of Directors. The Board of Directors provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and capital risk and closely monitors financial and operational risks (especially arising from meat price fluctuations).

---

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

---

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

The financial risk management objectives of the Company are defined as follows:

- Safeguarding the Company's core earnings stream from its major assets through the effective control and management of foreign exchange risk and interest rate risk,
- Effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures,
- Effective monitoring and minimizing risks sourced from counterparts.

**a) Credit risk**

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risks arises from cash and cash equivalents, deposits in banks and financial instructions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Majority of the Company's sales in domestic market are made to its investments in associate, YBP, and its exports are made to YDT, which are both Yaşar Group Companies. In line with past experiences and current condition trade receivables are monitored by the Company Management and necessary provisions for impairment is recognized. The Company management believes that credit risk arises from receivables is well managed. The Company management believes that there is no risk for non-trade receivables from related parties since they are mainly comprised of receivables from shareholders. The credit risk analysis of the Company as of 31 December 2022 and 2021 are as follows:

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**a) Credit risk (Continued):**

**31 December 2022**

	Receivables				Bank Deposits
	Trade Receivables (1)		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	313,793,230	71,690,067	125,839,800	57,199,010	44,531,627
- The part of maximum credit risk covered with guarantees	-	-	-	-	-
A. Net book value of financial assets not due or not impaired	279,714,987	65,321,061	125,839,800	57,199,010	44,531,627
B. Net book value of financial assets whose conditions are renegotiated , otherwise will be classified as past due or impaired	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)					
- The part covered by guarantees	34,078,243	6,369,006	-	-	-
D. Net book value of assets impaired	-	-	-	-	-
- Past due amount (gross book value)	-	(1,024,973)	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-

(1)The Company's receivables are mainly stemming from meat and by-products, frozen dough products and packaged food.

(2) In determining the related amounts, factors that increase the credit reliability such as the collateral received are not considered.

(3) The Company management anticipates that it will not encounter any problems in the collection of related amounts, considering its past experience.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**a) Credit risk (Continued):**

**31 December 2021**

	Receivables				Bank Deposits
	Trade Receivables (1)		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	164,076,289	42,592,481	116,277,220	68,733	36,725,820
- The part of maximum credit risk covered with guarantees	-	-	-	-	-
A. Net book value of financial assets not due or not impaired	142,241,471	39,412,308	116,277,220	68,733	36,725,820
B. Net book value of financial assets whose conditions are renegotiated , otherwise will be classified as past due or impaired	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)					
- The part covered by guarantees	21,834,818	3,180,173	-	-	-
D. Net book value of assets impaired	-	-	-	-	-
- Past due amount (gross book value)	-	1,391,914	-	-	-
- Impairment amount (-)	-	(1,391,914)	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-

(1)The Company's receivables are mainly stemming from meat and by-products, frozen dough products and packaged food.

(2) In determining the related amounts, factors that increase the credit reliability such as the collateral received are not considered.

(3) The Company management anticipates that it will not encounter any problems in the collection of related amounts, considering its past experience.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)****a) Credit risk (Continued):****31 December 2022**

	Receivables		
	Related Parties	Other Parties	Total
1 - 30 days overdue	14,725,670	5,721,689	20,447,359
1 - 3 months overdue	6,103,847	155,700	6,259,547
3 - 6 months overdue	13,248,726	491,617	13,740,343
The part of credit risk covered with guarantees	-	-	-
<b>Total</b>	<b>34,078,243</b>	<b>6,369,006</b>	<b>40,447,249</b>

**31 December 2021**

	Receivables		
	Related Parties	Other Parties	Total
1 - 30 days overdue	10,132,497	2,887,088	13,019,585
1 - 3 months overdue	750,742	131,967	882,709
3 - 6 months overdue	10,951,579	161,118	11,112,697
The part of credit risk covered with guarantees	-	-	-
<b>Total</b>	<b>21,834,818</b>	<b>3,180,173</b>	<b>25,014,991</b>

**b) Liquidity risk:**

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers lines from high quality lenders. In order to maintain liquidity, the Company management closely monitors the timely collection of trade receivables, take actions to minimize the effect of delay in collections and arranges cash and non-cash credit lines from financial institutions in case of requirement.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**b) Liquidity risk (Continued):**

The liquidity risk analysis of financial liability types as of 31 December 2022 and 2021 is as follows:

<b>31 December 2022</b>					
	<b>Carrying Value</b>	<b>Total cash outflow per agreement (=I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>3 - 12 months (II)</b>	<b>1 - 5 years (III)</b>
<b>Contractual maturity dates:</b>					
<b>Financial liabilities</b>					
Bank borrowings	389,828,326	440,523,734	233,291,968	166,733,206	40,498,560
Trade payables	372,704,072	372,704,072	372,704,072	-	-
Other payables and other financial liabilities	94,437,951	94,437,951	94,437,951	-	-
<b>Total</b>	<b>856,970,349</b>	<b>907,665,757</b>	<b>700,433,991</b>	<b>166,733,206</b>	<b>40,498,560</b>

<b>31 December 2021</b>					
	<b>Carrying Value</b>	<b>Total cash outflow per agreement (=I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>3 - 12 months (II)</b>	<b>1 - 5 years (III)</b>
<b>Contractual maturity dates:</b>					
<b>Financial liabilities</b>					
Bank borrowings	148,922,954	157,528,134	71,557,656	48,784,025	37,186,453
Trade payables	231,732,333	231,732,333	130,361,640	101,370,693	-
Other payables and other financial liabilities	26,320,104	26,320,104	14,148,192	9,140,736	3,031,176
<b>Total</b>	<b>406,975,391</b>	<b>415,580,571</b>	<b>216,067,488</b>	<b>159,295,454</b>	<b>40,217,629</b>

**c) Market risk:**

*i) Foreign exchange risk*

The Company is exposed to foreign exchange risks through the impact of rate changes on translation into TRY of foreign currency denominated assets and liabilities. The Company minimizes the risk through balancing foreign currency denominated assets and liabilities. These risks are monitored by analyses of the foreign currency position. Current risks are discussed by the Audit Committee and the Board of Directors regularly and the foreign exchange rates relevant to the foreign currency position of the Company are mentioned.

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**c) Market risk (Continued):**

*i) Foreign exchange risk (Continued):*

	Foreign Currency Position							
	31 December 2021				31 December 2021			
	TRY Equivalent	USD	EURO	Other (TRY Equivalent)	TRY Equivalent	USD	EURO	Other (TRY Equivalent)
1. Trade Receivables	50,071,335	2,557,644	112,754	-	30,750,989	2,307,074	-	-
2a. Monetary Financial Assets (Cash Bank Accounts included)	731,118	37,992	1,040	-	10,886,118	93,209	639,221	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	428,860	22,907	27	-	175,050	13,133	-	-
<b>4. Current Assets (1+2+3)</b>	<b>51,231,313</b>	<b>2,618,543</b>	<b>113,821</b>	-	<b>41,812,157</b>	<b>2,413,416</b>	<b>639,221</b>	-
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non- Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>51,231,313</b>	<b>2,618,543</b>	<b>113,821</b>	-	<b>41,812,157</b>	<b>2,413,416</b>	<b>639,221</b>	-
110. Trade Payables	12,169,119	48,757	563,613	-	5,076,960	4,761	331,707	-
11. Financial Liabilities	16,568,774	-	829,650	-	12,399,444	-	820,400	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>28,737,893</b>	<b>48,757</b>	<b>1,393,263</b>	-	<b>17,476,404</b>	<b>4,761</b>	<b>1,152,107</b>	-
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	8,192,022	-	410,200	-	18,599,165	-	1,230,600	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>17. Long-Term Liabilities (15+16)</b>	<b>8,192,022</b>	<b>-</b>	<b>410,200</b>	-	<b>18,599,165</b>	<b>-</b>	<b>1,230,600</b>	-
<b>18. Total Liabilities (13+17)</b>	<b>36,929,915</b>	<b>48,757</b>	<b>1,803,463</b>	-	<b>36,075,569</b>	<b>4,761</b>	<b>2,382,707</b>	-
<b>19. Net Asset/ Liability Position of Off-Balance Sheet</b>								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Amount of Hedged Asset	-	-	-	-	-	-	-	-
19b. Amount of Hedged Liability	-	-	-	-	-	-	-	-
<b>20. Net Foreign Currency Asset (Liability)</b>								
Position (9-18+19)	14,301,398	2,569,786	(1,689,642)	-	5,736,588	2,408,655	(1,743,486)	-
<b>21. Net Foreign Currency Asset (Liability) Position of Monetary Items (TFRS 7.B23)</b>								
(=1+2a+5+6a-10-11-12a-14-15-16a)	13,872,538	2,546,879	(1,689,669)	-	5,561,538	2,395,521	(1,743,486)	-
<b>22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Amount of Foreign Currency Denominated Assets Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Foreign Currency Denominated Liabilities Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>77,262,081</b>	<b>3,601,947</b>	<b>172,762</b>	<b>17,045,246</b>	<b>37,310,104</b>	<b>3,354,115</b>	<b>29,769</b>	<b>8,063,930</b>
<b>26. Import</b>	<b>28,052,693</b>	<b>22,650</b>	<b>1,629,081</b>	<b>59</b>	<b>13,316,715</b>	<b>96,651</b>	<b>1,224,769</b>	<b>-</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**c) Market risk (Continued):**

*i) Foreign exchange risk (Continued):*

**31 December 2022**

	Sensitivity Analysis for Foreign Currency Risk			
	Profit/(Loss)		Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	4,805,063	(4,805,063)	4,805,063	(4,805,063)
2- The part hedged for USD risk (-)	-	-	-	-
<b>3- USD Effect Net (1+2)</b>	<b>4,805,063</b>	<b>(4,805,063)</b>	<b>4,805,063</b>	<b>(4,805,063)</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	(3,374,350)	3,374,350	(3,374,350)	3,374,350
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR Effect Net (4+5)</b>	<b>(3,374,350)</b>	<b>3,374,350</b>	<b>(3,374,350)</b>	<b>3,374,350</b>
<b>Change of other currencies by average 10% against TRY</b>				
7- Assets/Liabilities denominated in other foreign currencies – net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other Foreign Currency Effect - net (7+8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>1,430,713</b>	<b>(1,430,713)</b>	<b>1,430,713</b>	<b>(1,430,713)</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**c) Market risk (Continued):**

*i) Foreign exchange risk (Continued):*

**31 December 2021**

	Sensitivity Analysis for Foreign Currency Risk			
	Profit/(Loss)		Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	3,210,496	(3,210,496)	3,210,496	(3,210,496)
2- The part hedged for USD risk (-)	-	-	-	-
<b>3- USD Effect Net (1+2)</b>	<b>3,210,496</b>	<b>(3,210,496)</b>	<b>3,210,496</b>	<b>(3,210,496)</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	(2,635,087)	2,635,087	(2,635,087)	2,635,087
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR Effect Net (4+5)</b>	<b>(2,635,087)</b>	<b>2,635,087</b>	<b>(2,635,087)</b>	<b>2,635,087</b>
<b>Change of other currencies by average 10% against TRY</b>				
7- Assets/Liabilities denominated in other foreign currencies – net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other Foreign Currency Effect - net (7+8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>575,409</b>	<b>(575,409)</b>	<b>575,409</b>	<b>(575,409)</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**c) Market risk (Continued):**

ii) *Interest rate risk*

The Company does not have financial instrument with variable interest rate as of 31 December 2022 and 2021.

iii) *Price risk*

The profitability of the Company's operations and the cash flows generated by those operations are affected by changes in the raw material prices and market competition that are closely monitored by the Company management and precautions for cost efficiency are taken. The Company does not anticipate that prices of unprocessed meat and other raw materials will change significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline or increase in the prices of unprocessed meat and other stocks and raw materials. The current risks are properly monitored by Board of Directors and Audit Committee regularly in considering the need for active financial risk management.

**d) Capital risk management:**

The Company's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liability (including borrowings, trade payables, due to related parties and other payables, as shown in the balance sheet) less cash and cash equivalents.

	31 December 2022	31 December 2021
		(*) Revised
Financial liabilities (Note 15)	422,444,965	167,246,736
Less: Cash and cash equivalents (Note 4)	(56,212,824)	(43,172,004)
<b>Net debt/ (assets) (Note 15)</b>	<b>366,232,141</b>	<b>124,074,732</b>
<b>Total equity</b>	<b>2,980,561,467</b>	<b>1,290,499,295</b>
<b>Net debt (assets)/ equity ratio</b>	<b>%12,3</b>	<b>%9,6</b>

(\*) Note 2,5

The Company management regularly monitors the (assets) debt/ equity ratio. The Company Management regularly monitors the (assets) debt/ equity ratio.

## PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022

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

#### NOTE 34 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

##### Classification of financial assets

The Company classifies its financial assets and liabilities as loans and receivables. Cash and cash equivalents, trade receivables and other receivables from the Company's financial assets are classified as loans and receivables and are measured at cost. The Company's financial liabilities consist of financial liabilities (Note 15), other financial liabilities, trade payables and other payables.

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments:

##### Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value. The fair values of certain financial assets carried at costs, including cash and due from banks, receivables and other financial assets are considered to approximate their respective carrying values due to their short-term nature.

##### Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 34 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)**

**Classification of financial assets (Continued)**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2022 and 2021:

**31 December 2022**

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Available-for-sale investments	-	12,004,632	-	12,004,632
<b>Total Assets</b>	<b>-</b>	<b>12,004,632</b>	<b>-</b>	<b>12,004,632</b>

**31 December 2021**

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Available-for-sale investments	-	4,265,488	-	4,265,488
<b>Total Assets</b>	<b>-</b>	<b>4,265,488</b>	<b>-</b>	<b>4,265,488</b>

The following table presents the Company's non-financial assets that are measured fair value at 31 December 2022 and 2021:

**31 December 2022**

	Level 1	Level 2	Level 3	Total
<b>Property, plant and equipment:</b>				
Land	-	1,359,958,150	-	1,359,958,150
Buildings and land improvements	-	339,124,969	-	339,124,969
Machinery and equipment	-	272,666,365	-	272,666,365
<b>Investment properties:</b>				
Investment properties	-	81,320,000	-	81,320,000
<b>Biological assets:</b>				
Biological assets	-	38,691,484	99,731,522	138,423,006
<b>Total assets</b>	<b>-</b>	<b>2,091,760,968</b>	<b>99,731,522</b>	<b>2,191,492,490</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE34 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)****Classification of financial assets (Continued)****31 December 2021**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Property, plant and equipment:</b>				
Land	-	333,420,980	-	333,420,980
Buildings and land improvements	-	136,571,472	-	136,571,472
Machinery and equipment	-	283,603,931	-	283,603,931
<b>Investment properties:</b>				
Investment properties	-	37,120,000	-	37,120,000
<b>Biological assets:</b>				
Biological assets:	-	30,004,552	-	30,004,552
<b>Total assets:</b>	-	<b>820,720,935</b>	-	<b>820,720,935</b>

**NOTE 35 - SUBSEQUENT EVENTS****None.**

.....

# INFORMATION FOR INVESTORS

## Stock Market

The shares of Pınar Entegre Et ve Un Sanayii A.Ş. are traded on the Borsa İstanbul Main Market under the symbol "PETUN".  
Public Offering Date: 03.02.1986

## Ordinary General Assembly Meeting

In line with the decision taken by the Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş., the Ordinary General Assembly meeting of the Company will be held on 29 March 2023, Wednesday, at 14:30 at the Altın Yunus Çeşme Turistik Tesisler in Altın Yunus Mah. 3215 Sok. No:38 Çeşme/Izmir.

## Dividend Distribution Policy

The Profit Distribution Policy of Pınar Et ve Un Sanayii A.Ş. for 2013 and subsequent years, which was prepared in line with the Capital Market Legislation, was submitted for the approval of the Ordinary General Assembly of 2013 and disclosed to the public, and the said information available on the Company's corporate website (www.pinar.com.tr) can be accessed in Turkish and English on the investor relations page.

## Investor Relations Department

Pınar Entegre Et ve Un Sanayii A.Ş.  
Kemalpaşa Osb Mahallesi 503 Sk. No:224 Kemalpaşa - IZMİR  
Tel: (232) 877 09 00 ve (232) 495 00 00  
Fax: (232) 484 17 89  
E-Mail: investorrelations@pinaret.com.tr

To access the Pınar Et Investor Relations Website:



## Performance of Pınar Et Stock (Compared to BIST ALL Index and BIST FOOD Index)

