

# PINAR ET ANNUAL REPORT

2023



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**Relevant Accounting Period of the Report**

01.01.2023-31.12.2023

**Trade Name**

Pınar Entegre Et ve Un Sanayii A.Ş.

**Trade Registry and Number**

Izmir Trade Register 45251 K: 1912

**Registered Equity Ceiling**

TRY 100,000,000

**Issued Capital**

TRY 43,335,000

**Contact Information****Headquarters and Factory**

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pinar.com.tr

pinarenstitusu.org.tr

Süt Dairy Expert (Pınar Institute Dairy Expert

Mobile Application)

pinarcocukresimyarismasi.com

lezzetfikirleri.com

guzelyasa.com.tr

pinaronline.com

tasteofpinar.com

facebook.com/tasteofpinar

instagram.com/tasteofpinar

tiktok.com/tasteofpinar

facebook.com/pinarlezzetfikirleri

instagram.com/pinarlezzetfikirleri

youtube.com/PinarLezzetFikirleri

pinterest.com/pinarlezzetfikirleri

facebook.com/pinarguzelyasa

x.com/pinarguzelyasa

instagram.com/pinarguzelyasa

youtube.com/PinarLezzetFikirleri

facebook.com/pinaracbitir

instagram.com/pinaracbitir

tiktok.com/pinaracbitir

facebook.com/illakipinarsucuk

instagram.com/illakipinarsucuk

tiktok.com/illakipinarsucuk

linkedin.com/pinaronlinetr

youtube.com/PinarOnline

instagram.com/pinaronlinetr

x.com/pinaronlinetr

facebook.com/pinaronlinetr

facebook.com/pinarlayasam

x.com/PinarKurumsal

instagram.com/pinarlayasam

instagram.com/PinarEnstitusu

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facebook.com/PinarEnstitusu

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facebook.com/pinarirag

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instagram.com/pinar.aze

facebook.com/pinarkazakhstan

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instagram.com/pinar.geo

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# Message from the Chairperson of the Board

Pınar Et ensures food security for today and the future with its sustainable production approach.

Dear Stakeholders,

Together with our employees, we have closed the year 2023, in which we celebrated the 100th anniversary of the Turkish Republic, the product of a broad vision and brave decision, with excitement, enthusiasm, and pride, setting new goals and ideals for the future of our Republic and our Group. May the Turkish Republic always endure, flourish in every sense, and thrive for many centuries to come.

As a country, we were struck by a major earthquake in 2023. As a nation, we have been working to heal the wounds of the disaster, in which we lost tens of thousands of our citizens, by embracing each other in solidarity. As Yaşar Group, we suffered a great loss in the first days after the earthquake. We bid farewell to our father, Selçuk Yaşar, the Founder and Honorary President of our Group. Yaşar Group will continue its successful walk toward the future on the path paved by its values and the principles of "Science, Unity, Success." We remember our father, Selçuk Yaşar, with compassion, respect, and gratitude.

Pınar Et, which has been a pioneer in the Turkish food industry, creating value for Türkiye with its strong presence in domestic and international markets has been leading the industry, developing new products, and supporting social development for 38 years with a sense of corporate responsibility.

We never compromise on high-quality standards in our certified production processes that comply with international food safety criteria. We achieved a turnover share of 18.9% in the total processed meat market in 2023 with our commitment to always producing the best product and delivering products to our consumers as freshly and healthily as possible. As one of the leading producers in the food industry, Pınar Et recorded a 22.4% growth in net sales revenue compared to 2022 and closed the year 2023 with a turnover of TRY 4,949.2 million.

A review of the industry shows that the number of ovine and bovine animals dropped to 69 million in June 2023, according to the Turkish Statistical Institute's (TurkStat) animal production statistics. Despite a 5.9% decline in Türkiye's livestock industry in 2023, the total processed meat market grew by 60% by turnover compared to the previous year. Reaching a turnover of TRY 4.2 billion, the industry contracted by 14% in terms of tonnage. Pınar

Et managed to increase its soudjouk sales by 11% and its sales in the unprocessed red meat category by 5% in this period.

The e-commerce channel, which is growing steadily with increasing internet penetration and the widespread use of mobile technologies, has a significant impact on Pınar's marketing and sales strategies. Thus, our e-commerce platform PınarOnline, launched in 2021, also grew in 2023 with the impact of this trend, achieving a gross sales figure of TRY 31.4 million. This year, PınarOnline offered customers in Istanbul, Ankara, and Izmir the option of "delivery by appointment" to deliver product groups at temperatures between +4 °/-18 ° quickly and safely. Thanks to the Ayazağa warehouse, which started its operations in 2023, Pınar now offers same-day delivery in Istanbul. By including new customers in its portfolio with the marketplaces it opened on e-commerce sales platforms such as Trendyol, Hepsiburada, and Hepsiburada Express, the Company was able to offer its wide product network to its customers across Türkiye and generate 64% of its sales through such marketplaces by the end of 2023.

Interest in healthy, ecological, natural, and organic products continued to increase in Türkiye and across the world in 2023. As Pınar Et, we demonstrated our innovative spirit and modern production approach by introducing new products to the market that meet consumer expectations. As a result of our R&D efforts, we expanded our new product categories in 2023. We started to offer nutritional alternatives to consumers keen to avoid animal protein with our vegan and plant-based protein products. Our plant-based burgers and lobster patties produced under the "Planty" brand attracted great interest, especially in the US and Gulf countries.

Pınar Et continued its turkey breeding operations in 2023 within the framework of full integration. By increasing the number of contracted breeders and total poultry house area, the Company also increased turkey meat production in line with its obligations under the Good Agricultural Practices Certification.

The year 2023 was also a milestone of changes and transformation for Yaşar Group. In this process, we are carrying our Company and Group to the future with a mode of business that reflects the zeitgeist by constantly innovating in areas ranging from digitalization to cultural transformation and from





sustainability to R&D. As a member of Yaşar Group we care about our environmental, social and economic impacts in line with our common understanding of sustainability. This year, our Administrative Building in İzmir was awarded the LEED Platinum Certificate. As Pinar Et, we value energy, water and waste management, sustainable animal farming, and renewable energy within the framework of our Group's sustainability strategy. Our Company obtains 12% of its total electricity from our Solar Power Plant project implemented as part of our renewable energy investments. We aim to reduce our carbon footprint by 30% by 2030, our water footprint by 10% by the end of 2023, and 15% by 2030 through our environmental sustainability efforts, including renewable energy investments.

We continue to work in compliance with Yaşar Group's high-quality standards with our suppliers, who deliver our products all over Türkiye without disrupting the cold chain. Moreover, we continue improving our competitiveness with new investments. Our digitalization investment is renewing all our end-to-end processes with new generation SAP technologies under the SAP S4/HANA Cloud Transformation Project "PROJECT FENIKS," which is part of the "Digital Transformation" process of Yaşar Group. In this way, we are implementing a modern and data-driven structure that can make good projections and offer instant reporting and analysis.

In 2023, as we joyously celebrated the 100th anniversary of our Republic, we continued to focus on projects for the youth and children, our future. As Türkiye's first privately-owned integrated meat facility, we continue our operations without compromising our identity as a responsible producer and developing innovative products appreciated by our consumers. That's why, for 38 years, we have proudly provided safe, delicious, and healthy food.

I thank our employees, shareholders, suppliers, customers, and all our stakeholders who have contributed to the success we have achieved to date.

Best Regards,

**E.Feyhan Yaşar**

Chairperson of the Board of Directors

# Board of Directors



**E. FEYHAN YAŞAR**  
CHAIRPERSON OF THE  
BOARD OF DIRECTORS



**İDİL YİĞİTBAŞI**  
VICE CHAIRPERSON OF THE  
BOARD OF DIRECTORS



**SEZAI BEKGÖZ**  
INDEPENDENT  
BOARD MEMBER



**NALAN ERKARAKAŞ**  
INDEPENDENT  
BOARD MEMBER



**SEÇKİN ŞENOL**  
INDEPENDENT  
BOARD MEMBER



**YILMAZ GÖKOĞLU**  
BOARD MEMBER



**KEMAL SEMERCİLER**  
BOARD MEMBER

\*\* Resumes of the Board of Directors are available on pages 39-41.

#### Limits of Authority:

Both the Chairperson and the Members of the Board of Directors have the powers specified in the relevant articles of the Turkish Commercial Code and articles 10 and 11 of our Articles of Association.

# Senior Management and Committees

## BOARD OF DIRECTORS AND TENURES

NAME AND LAST NAME	TITLE	TERM OF OFFICE
E. FEYHAN YAŞAR	CHAIRPERSON OF THE BOARD OF DIRECTORS	29.03.2023 - 29.03.2024
İDİL YİĞİTBAŞI	VICE CHAIRPERSON OF THE BOARD OF DIRECTORS	29.03.2023 - 29.03.2024
SEZAİ BEKGÖZ	INDEPENDENT BOARD MEMBER	29.03.2023 - 29.03.2024
NALAN ERKARAKAŞ	INDEPENDENT BOARD MEMBER	29.03.2023 - 29.03.2024
SEÇKİN ŞENOL (1)	INDEPENDENT BOARD MEMBER	09.10.2023 - 29.03.2024
YILMAZ GÖKOĞLU	BOARD MEMBER	29.03.2023 - 29.03.2024
KEMAL SEMERCİLER	BOARD MEMBER	29.03.2023 - 29.03.2024

### Corporate Governance Rating:

Pınar Et's corporate governance rating was confirmed as 9.38 out of 10 in 2023.

SENIOR MANAGEMENT	NAME AND LAST NAME	POSITION
	HÜSEYİN DEMİR	GENERAL MANAGER
	ORKUN NALDELEN	FINANCIAL AFFAIRS AND FINANCE DIRECTOR

AUDIT COMMITTEE	NAME AND LAST NAME	POSITION
	NALAN ERKARAKAŞ	CHAIRPERSON
	SEZAİ BEKGÖZ	MEMBER

CORPORATE GOVERNANCE COMMITTEE	NAME AND LAST NAME	POSITION
	SEZAİ BEKGÖZ	CHAIRPERSON
	NALAN ERKARAKAŞ	MEMBER
	KEMAL SEMERCİLER	MEMBER
	TOLGA BAĞCI	MEMBER

EARLY DETECTION OF RISK COMMITTEE	NAME AND LAST NAME	POSITION
	NALAN ERKARAKAŞ	CHAIRPERSON
	SEZAİ BEKGÖZ	MEMBER
	YILMAZ GÖKOĞLU	MEMBER

(1) The resignation of Mr. Mehmet Aktaş, one of our Board Members, was accepted at our Company's Board of Directors meeting held on 09.10.2023, and the Board elected Mr. Seçkin Şenol as an Independent Board Member to fill the position vacated.

# Company Profile

With its new categories and wide range of practical products, Pınar Et has been leading the industry in food quality and safety for 38 years.

Continuing its operations as the driving force behind the transformation of Türkiye's modern meat industry, and with its pioneering role and identity as a responsible producer, Pınar Et prioritizes health and food safety, providing consumers with delicious, reliable, high-quality, and hygienic products. With its production facilities equipped with state-of-the-art technology and its R&D Center, the Company produces without compromising on superior quality.

Pınar Et's modern integrated production facilities operate in compliance with the Turkish Food Codex and EU standards, and the Company produces in four categories: red meat, turkey, processed seafood, and by-products.

Pınar Et develops new products in line with current dietary trends that stand out for their ease of use. Pınar Et responds to consumers' search for quality, confidence, and taste in the delicatessen, frozen meat, frozen bakery foods, frozen seafood, frozen organic meat, frozen plant-based products, canned meat, and unprocessed meat categories. As a result of its R&D efforts, the Company expanded its new product categories in 2023. It has started to offer nutritional alternatives to consumers keen to avoid consuming animal protein through its vegan and plant-based protein products. Efforts in these categories will continue in 2024.

As one of Türkiye's leading brands in frozen food, meat, and seafood, as well as delicatessen, Pınar Et sets trends with the new products it develops. The Company continues to serve

consumers on its e-commerce platform, PınarOnline, in step with its D2C (Direct to Consumer) strategy to respond to changing consumer habits.

All of the Company's business processes are carried out in compliance with international norms and using globally-accredited quality management systems. With its strong brand perception, high brand awareness, and brand reliability, Pınar Et regularly undergoes over 60 audits required for the Turkish and export markets, never compromising on its responsible producer identity.

To maintain excellence in its distribution operations, Pınar Et works with Yaşar Birleşik Pazarlama (YBP). This Yaşar Group company has one of the largest chilled and frozen product distribution chains in Türkiye. In addition to Türkiye, Pınar Et brings its products to consumers in over 30 countries.

Pınar Et considers the environmental, social, and economic impacts associated with its operations. Within the framework of Yaşar Group's sustainability strategy, Pınar Et strives to leave a better world for future generations and values efforts focused on the preservation of the environment and nature, such as waste management, recycling, good agricultural practices, protection of natural life and Solar Power Plant (SPP) investments. The Company obtains 12% of its total electricity from our Solar Power Plant project implemented as part of its investments in renewable energy. The Company also fulfills its social responsibilities without interruption through continued initiatives in the arts, sports, and education.

## Shareholding Structure

Pınar Et's shares are traded on the Borsa Istanbul Main Market under the ticker "PETUN."

Information on privileges regarding Company shares can be found in the Legal Disclosures section of the Annual Report.



You can access the shareholding data and investor statements by scanning the QR code with your mobile phone.

SHAREHOLDER	SHARE RATIO (%)	SHARE AMOUNT (TRY)
YAŞAR HOLDİNG A.Ş.	54,18	23.476.895,37
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	12,58	5.451.752,25
MARMARA CAPITAL PORTFÖY HİSSE SENEDİ (TL) FONU (HİSSE SENEDİ YOĞUN FON)	7,73	3.350.000
OTHER	25,51	11.056.352,38
<b>TOTAL</b>	<b>100,00</b>	<b>43.335.000,00</b>



# Yaşar Group

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Pınar Et continues its operations as a member of Yaşar Group, which adds value to the Turkish economy, society, and the environment under the principle of “working non-stop, producing and contributing to the country” and the ideal of “providing a better life.”

Today, with 21 companies, 25 factories and facilities, two foundations, 7,500 employees, over 1,000 dealers, and more than 200,000 sales points across its operations, the Group remains among the leading industrial groups of the Turkish economy.

## Leading Brands in Different Industries

With its highly committed employees and business partners, Yaşar Group continues to create strong brands and offer products and services in the domestic and international markets. Shares of Yaşar Holding subsidiaries Pınar Süt, Pınar Et, Pınar Su ve İçecek, Dyo Boya, Viking Kağıt, and Altın Yunus Çeşme, which operate in the trade and service and sanitary paper industries in addition to their main business lines of food, beverage, and coatings, are traded on Borsa İstanbul.

Aiming to control and minimize the environmental impact of all its activities, the Group is committed to making all its stakeholders partners in its sustainability approach and targets while expanding the impact it creates. With its corporate values, including Our Consumers and Customers Come First, and Operational Excellence, and through its Human Resources, Ethical Stance, and Environmental and Social Responsibility, Yaşar Group continues to create value for Türkiye and the wider world and to offer a better life to all its stakeholders.



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» You can find detailed information about **Yaşar Group** [here](#).

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## Milestones of the Production Journey

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Pınar Et's foundation was laid in **1983**, and the Company commenced operations as Türkiye's first privately owned integrated meat facility in **1985**. The Company produced Türkiye's first industrial hamburger patties in **1987**. In **1994**, Pınar Et became the first company in its industry to receive the TS ISO 9002 Quality Management System Certificate. The Company commissioned Türkiye's first fully-integrated turkey facilities in **1998**. Pınar Et became the first company in its industry to receive TSE ISO 22000 Food Safety Management System Certification in **2006** and TSE 17025 Food Safety Management System Certification in **2008**. The Company took swift action when the organic and ecological food trend started to gain momentum, securing the Ecocert Organic Food Certificate in **2017** and

establishing the Pınar Et R&D Center in the same year. The PınarOnline e-commerce platform was launched in **2021**. Pınar Et's Administrative Building in İzmir was awarded LEED Platinum Certification in **2023**.

# Pinar Et and 2023 at a Glance

Pinar Et achieved successful results by continuing its investments and production throughout the year in line with its sustainable growth target.



## TURNOVER

**4.9**  
BILLION  
TRY

## NET PROFIT FOR THE PERIOD

**479.4**  
MILLION  
TRY

## INVESTMENT AMOUNT

**128.7**  
MILLION  
TRY

## TURNOVER SHARE IN TURKISH PROCESSED MEAT MARKET (NIELSEN, EXCLUDING DS, TÜRKİYE 2023)

**18.9%**

## SLAUGHTERING AND PROCESSING CAPACITY

- » 408 thousand ovine animals
- » 102 thousand bovine animals
- » 1.6 million turkeys

The first private enterprise integrated meat facility

Production in accordance with the  
Turkish Food Codex and EU standards

Backward integration in  
turkey breeding

## YEAR OF CHANGE AND TRANSFORMATION

### DIGITAL TRANSFORMATION

With "Project Feniks," implemented as part of Yaşar Group's SAP S4/HANA Cloud Transformation Project, Pınar Et aims to create an up-to-date, singular, and centralized system that can produce good forecasts and increase employee satisfaction, work quality, and work efficiency.

### CULTURAL TRANSFORMATION

Pınar Et carried out several activities as part of its "Cultural Transformation Project," including the "Yaşar HR Academy" program, the "Yaşar'a Adım Projesi" (YAP), and the "Youth Class (Project Assistant)" program.

Yaşar Group, the parent company of Pınar Et, has implemented transformation projects that will carry the Group into tomorrow in line with its goal of becoming a "Group that moves forward strongly into the future." As ongoing change and transformation efforts continue to gather pace, Group companies are marching toward the future with new plans and projects.

### INITIATIVES AND INNOVATION

The Company continued to work on developing products that boost the immune system in line with rising trends towards healthy and natural nutrition. Pınar Et launched 38 new products, five of which were for the e-commerce channel.

### SUSTAINABILITY

Pınar Et obtains 12% of its total electricity from our Solar Power Plant project implemented as part of its investments in renewable energy.

In 2023, Pınar Et made its investment decisions with a focus on "change and transformation," enhancing its facilities and organization through investment in modern production technologies as well as in performance and quality improvements, efficiency, and sustainability across all its processes.

## FINANCIAL PERFORMANCE IN 2023

(Million TRY)	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Net Sales	4,949.2	4,041.8
Gross Profit	498.5	454.5
Gross Sales Profit Margin	10.1%	11.2%

(Million TRY)	31.12.2023	31.12.2022
Equity	4,669.2	4,790.7
Assets	6,673.4	6,843.6
Total Liabilities / Equity Ratio	43%	43%

# Competitive Advantages

## TRUSTED, ESTABLISHED BRAND

- A pioneer and innovator in the industry
- Reliable brand perception
- Established corporate culture
- One of Türkiye's most admired companies
- Among Türkiye's most reputable organizations and brands



Pınar Et stands out from the competition with its production experience and product diversity, as well as its robust distribution network.

### **STRONG DISTRIBUTION CHANNELS AND BROAD SUPPLY CHAIN**

- Certificate of Good Agricultural Practices
- The competence of Yaşar Birleşik Pazarlama, one of the largest cold and frozen product distribution chains in Türkiye
- Experience in international marketing and distribution
- Overseas production capability
- Direct sales from the factory to B2B channel customers with uninterrupted service
- 155,000 sales points
- The advantage of distributing dairy and meat products together
- Widespread procurement activities in six regions
- Sustainable cooperation with farmers
- Protection against risks with partial backward integration
- Direct communication through the PınarOnline e-commerce platform
- Consistent, continuous, uninterrupted, and solution-oriented marketing and sales processes

### **PRODUCTION AT GLOBAL STANDARDS**

- Over 500 SKUs
- Agile and modern R&D Center
- Hygienic production at international standards
- 38 years of technical experience and industry knowledge
- End-to-end food safety and high quality in all processes
- Proprietary production with documentation and certification
- The first company in the industry to receive the TSE COVID-19 Safe Production Certificate
- Zero Waste Certificate





# Industry Overview

Pınar Et introduced innovative products to the market in 2023 as the demand for plant protein increased alongside animal protein.

According to TurkStat's Animal Production Statistics for 2023, the number of bovine animals in Türkiye decreased by 2.6% to 16 million 583 thousand compared to the previous year, while the number of ovine animals decreased by 6.9% to 52 million 363 thousand compared to the previous year.

## MARKET OUTLOOK

Despite the decline in the Turkish livestock industry in 2023, the total processed meat market grew by 60% in turnover terms compared to the previous year. Reaching a turnover of TRY 9.1 billion, the industry grew by 14% in terms of volume. Salami, sausage, and soudjouk products accounted for 31%, 18%, and 42% of the processed meat products market, respectively (Nielsen, Türkiye excluding DS).

The shortage in egg supply in 2023 due to the avian flu outbreak that hit overseas egg suppliers was solved through agreements with local suppliers. In response to the decrease in egg supply, meat production volume was balanced by increasing the slaughter age. In 2022, 1 million 502 thousand 476 turkeys were slaughtered, and a live weight of 17 million 779 thousand 295 kg was achieved, while 1 million 291 thousand 288 turkeys were slaughtered, including the month of November in 2023, with a live weight of 16 million 507 thousand 140 kg being achieved.

Revenue in the global meat market reached USD 1.4 billion in 2023. Comparisons show that most of the revenue was generated from China. The global market is expected to grow by 6.8% next year (CAGR 2023-2028). The meat market volume is projected to reach 180.80 billion kg by 2028 (statista.com).



### TURNOVER INCREASE IN THE TOTAL PROCESSED MEAT MARKET

# 99%

### TURNOVER OF THE TOTAL PROCESSED MEAT MARKET

# 9.1

MILLION TRY

## CHANGING CONSUMPTION HABITS

Eating a healthy, balanced diet and consuming foods that strengthen the immune system has become a rising trend. The interest in organic and healthy food options continued to grow in 2023, with nationwide and local producers increasing their product range.

In addition to animal proteins, the demand for plant proteins has also increased. As vegan and vegetarian diets continue to be popular for a variety of reasons, foods containing plant proteins are increasingly being incorporated into dietary habits compared to previous years.

According to the IPSOS Household Panel 2023 survey, consumers allocated a larger share of their budget to name-brand products compared to the previous year, while the share allocated to off-brand products decreased, and the share allocated to store-brand products remained the same.

## ONGOING RISE OF E-COMMERCE

Mobile devices have become an integral part of everyday life with the further development of smart technologies. Internet penetration has increased in parallel. More and more consumers prefer e-commerce platforms for shopping. In the first six months of 2023, e-commerce volume increased by 109.7% compared to the same period of the previous year. E-commerce volume reached TRY 652.7 billion, which shows that the digital market is expanding rapidly. In the first six months of the year, the ratio of e-commerce to traditional retail increased by 19.1%. Other e-commerce data that stand out are as follows:

- The number of orders increased by 20% to 2 billion 556 million units; retail e-commerce volume increased by 119% to TRY 390 billion.
- In the first six months of 2023, card transactions accounted for 62.7% of total e-commerce volume, while money order/EFT and other payments accounted for 32%.
- White goods and small household appliances, clothing, footwear and accessories, electronics, and airlines were the leading categories in e-commerce.
- 37.9% of e-commerce businesses operate from Istanbul.
- 36.6% of e-commerce purchases come from Istanbul, while Ankara and Izmir are also among the major e-commerce addresses.
- In terms of payment habits, 81% of consumers prefer paying in cash when shopping online, while 19% prefer paying in installments.

## OUT-OF-HOME CONSUMPTION CHANNEL

By the end of 2023, tourism revenues had increased by 17% year-on-year to USD 54.3 billion. This increase also made a positive impact on sales in the out-of-home consumption channel. Food and beverage spending increased by 33.2% compared to the previous year (TurkStat, Tourism Statistics, December 2023).

# Activities of 2023

In 2023, Pınar Et strengthened its brand recognition in domestic and international markets by developing products for different dietary preferences.

Pınar Et completed the year with a turnover share of 18.9% in the total processed meat market and was the leader with a volume share of 20.4%. The turnover share of the Company's closest competitor was 12% (Nielsen, 2023, excluding DS).

Pınar Et was the leading brand in the salami category, excluding discount stores, with a share of 45.4%, and also in the sausage category, with a share of 38.5% in 2023.

The Company ranked second in the soudjouk category with a turnover share of 10% (Nielsen, 2023, excluding DS).

In terms of volume share, Pınar ranked first in the Turkish market with a 20.4% share in the delicatessen category and a 35.5% share in the salami category, excluding discount stores.

The Company ranked fourth with 4.5% volume share and 4.4% turnover share in the smoked meat segment under the other delicatessen product category in Türkiye.

In 2023, Pınar Et achieved a sales volume of 33,138 tons and a turnover of TRY 4.9 billion. The Company posted 22.4% year-on-year growth in turnover and generated a gross profit of TRY 498.5 million. Ending 2023 with a net profit of TRY 479.4 million, Pınar Et realized TRY 128.7 million in fixed asset expenditures. The capacity utilization rate for the year was realized at 61%.

## ACTIVITIES FOR INTERNATIONAL MARKETS

Pınar Et, which exports to over 30 countries, increased its penetration in the European, Georgian, and Thai markets in 2023, generating export revenue of USD 4.9 million. The leading export markets of Pınar Et include the TRNC, Iraq, the UAE, Kuwait, Qatar, Bahrain, the United States, Germany, Azerbaijan, and Georgia.

Pınar Et continues to provide effective services in global markets through product categories that include Turkish and global flavors. The brand is especially preferred by consumers in foreign markets for its qualified delicatessen products made from turkey meat and its pastry varieties, which are among the traditional flavors of Turkish cuisine.

Throughout the year, Pınar Et continued to develop delicious and nutritious products in its product portfolio containing plant-based protein to respond to consumers following vegan and vegetarian diets. Pınar Et's Power Burger product with high protein value, developed under the Plantıy brand, has become a competitive product in global markets. The PowerBites product was also introduced to global markets in 2023 under the Plantıy brand. Pınar Et continues to offer Falafel, Veggıe Bites, and Onion Rings products in this category to international markets.

Additionally, the Gluten-free Pizza Base product was introduced to global markets in the last quarter of 2023 to respond to the growing worldwide interest in a gluten-free diet.



You can review Pınar Et's plant-based products [here](#).

## 12 New Products for Export Markets

As a result of its innovation efforts that respond to the needs of global markets, Pinar Et developed 12 new export products, which it offered to the relevant markets.

Pinar Et created a synergy with YADEX GMBH, a Yaşar Group company based in Germany, and expanded its business in the bakery and seafood categories that can be exported from Türkiye to Europe. The Company also penetrated the French and Belgian markets through Germany. In addition to commercial relations that the Company improved in volume terms with North America in 2022, Pinar Et so established active business relations in the Swiss market and continued the same trend in Europe in 2023. The Company's trade with Iraq, Türkiye's strong trade partner and neighbor, gained momentum in both the Southern and Northern regions. Pinar Et enhanced its strength in the Caucasus region thanks to its activities in the Azerbaijani, Georgian, and Kazakhstani markets.

### TURNOVER SHARE IN THE PROCESSED MEAT MARKET

18.9%

### TRY GROSS PROFIT

498.5  
MILLION  
TRY

## PRODUCTION FACILITIES

### Integrated Red Meat Production Facility:

- Fresh/frozen beef and lamb meats
- Delicatessen product groups (soudjouk, salami, sausage, etc.)
- Frozen meat products (hamburger group)
- Frozen meat products (meatball group)
- Milk-based and plant-based products group (onion rings, cheese croquettes, falafel and vegetable patties)
- By-Products production facility

### Integrated Turkey Production Facility:

- Fresh/frozen turkey meats
- Frozen meat products (turkey and chicken group)
- Feed raw materials

### Processed Seafood Facility:

- Frozen fish balls, natural seafood



# Investments

Pınar Et made investments in information technologies and energy systems in line with its sustainable growth targets.

Pınar Et focused its investments on the “change and transformation” process that Yaşar Group prioritized in 2023. In addition to the modern technologies used at its production facilities, the Company made improvements to its facilities and organization by investing in performance, quality, efficiency, and sustainability in all business processes. Shaping its production and R&D activities in line with the changing dynamics of the industry and consumers’ new dietary trends, Pınar Et continued its energy-saving and digitalization efforts without pause. To this end, the Company invested TRY 128.7 million in 2023.

## Major Investments in 2023

- Machine Revision Investment in Red Meat Production and Turkey Packaging Lines
- Solar Power System Investment
- SAP S4/HANA Cloud Transformation Project
- E-commerce Platform Warehouse Investments
- Fire Hydrant Line Investments

In 2023, Pınar Et invested TRY 16,253 thousand in buildings, TRY 48,289 thousand in machinery, TRY 3,123 thousand in vehicles, TRY 10,377 thousand in fixtures, TRY 36,644 thousand in rights, and TRY 14,037 thousand in R&D studies.

## INFORMATION TECHNOLOGIES

In the digital age, following technological innovations and adapting business processes to modern conditions remain a necessity to stay ahead of the competition. With this perspective, Pınar Et, which continues to advance, develop, and improve in its lines of business, continued to invest in SAP’s next-generation cloud technologies in 2023. Pınar Et launched “Project Feniks,” Yaşar Group’s SAP S4/HANA Cloud Transformation Project, to implement a data-driven structure capable of making accurate forecasts and providing instant reporting and analysis in all end-to-end

processes with new-generation SAP technologies. The project, which aims to create an up-to-date, singular, and centralized system, is expected to improve employee satisfaction, work quality, and work efficiency.

With the implementation of Project Feniks, the Company aims to improve sustainability, efficiency, speed, and agility in its organizational business processes. All improvements will have a direct impact on employee, supplier, and customer satisfaction. With the completion of the Feniks project, the Company will have an infrastructure capable of integrating with new global technologies. In this way, the Company intends to make effective use of decision-making processes based on real-time data, thus ensuring the achievement of financial targets.

The Group companies’ ways of doing business are evaluated end-to-end as part of Yaşar Group’s digital transformation process, and the most suitable technological tools have been selected for this transformation. Change management is conducted by taking into account all aspects, such as technology, culture, etc.

With its digitalization efforts, Pınar Et aims to standardize its way of doing business and improve efficiency by ensuring that operational activities are conducted with new technologies. Pınar Et has been developing automation projects using Robotic Process Automation (RPA) technology by investing in high technologies to adopt Industry 4.0. Digitalization of the traceability system, a requirement for safe food production, continues as well. The company develops digital solutions for the efficient tracking of sales, inventories, and dealer order information.

## DIGITAL PLATFORM INVESTMENT: PınarOnline

In 2023, e-commerce volume continued to rise in parallel with recent developments such as increased use of mobile communication tools and individual internet penetration. Following this trend, PınarOnline continued its rapid progress in 2023. Considering the increase in internet, smart, and mobile



device usage, Pınar continued to expand its investments in PınarOnline, the e-commerce sales channel launched in 2021. The Company intensified its efforts to increase the range of products offered through e-commerce, to include complementary products on the platform, and to expand its courier distribution network.

## NEW INVESTMENT GOALS

Renewable energy sources are becoming increasingly important. Pınar Et started Solar Power Plant (SPP) investments in 2022 as part of its sustainability strategy. The SPP, with a power capacity of 1500kW<sub>e</sub>, was commissioned in March 2023 and is expected to generate 2,400MWh of electricity annually. The Company also continued its efforts to increase efficiency by performing periodic maintenance on existing pumps, fans, and compressors throughout the year.

Pınar Et continues its efforts to install an environmental monitoring system (silo level sensor, temperature sensor, humidity sensor, and CO<sub>2</sub> sensor installation) to monitor the health of turkey poult delivered to contracted turkey breeders during the growing process and to increase production efficiency.

A significant portion of Pınar Et's facilities are located in Manisa. Therefore, the Company plans to move its hatchery to Salihli or Turgutlu in the near future. The goal is to shorten the transportation time of the poults and reduce the risk of dehydration or physiological fatigue. In addition, the Company aims to improve cost-efficiency by using Pınar Et's humidity and temperature-optimized vehicles for poult transportation.



## INVESTMENT AMOUNT

128.7 MILLION TRY



# R&D Studies

Pınar Et launched 38 new products in 2023 with an innovative approach that responds to the expectations of the industry.

Pınar Et's R&D Center, which follows scientific and technological developments and innovative approaches in the industry and develops projects accordingly, continued to introduce innovations to the industry throughout 2023.

The R&D team participated in congresses, seminars, and symposiums throughout the year and carried out diverse studies to improve university-industry cooperation and trace scientific developments.

The R&D team followed innovations in the food industry through databases, publications, and the R&D Bulletin published within the Company to quickly adapt to new trends. Implementing projects in line with its future projections in 2023, the R&D Center continued its patent and utility model studies to protect the Company's intellectual and industrial property rights.

## Pınar Et R&D Center's Areas of Activity

- New product development
- Existing product improvement
- Product cost improvement
- Creating alternative suppliers for existing food additives
- Sustainable packaging material development and improvement
- Create alternative suppliers for existing secondary packaging materials
- Packaging reduction efforts
- TÜBİTAK projects
- European Union projects
- Shelf life extension works
- Integration of Innovative Technologies into the System
- SAP Product and Packaging Applications
- Reduction of food additives

## R&D Achievements in 2023

- Pınar Et further expanded its portfolio through its R&D efforts with a total of 38 new products in 2023, including 15 for retail, 5 for e-commerce, 1 for private customers, 12 for export, and 5 for the OHC channel. These new products include fresh meat, sliced delicatessen, and turkey varieties enriched with different flavors, such as mustard and spices, which were developed especially for the e-commerce channel. At the same time, new export-specific products were also launched.
- The Company continues to actively develop plant-based products to meet consumers' daily protein needs by introducing new products to the market. Coated vegan burgers and plant-based patty products developed by Pınar Et were offered for sale in the export channel.
- As gluten-free diets are among the fastest-rising dietary trends of recent years, the Company continued to work on its gluten-free pizza base in 2023, which is now available on the shelves as a new product in the export channel. The Company plans to launch the product in the domestic market in 2024.
- By optimizing existing packaging materials, approximately 1,355 kg less plastic and 29,710 kg less paper were used. This led the Company to achieve savings of approximately TRY 2 million. Such efforts reduced CO2 emissions by 75,369 kg while saving 505 trees. In addition to packaging reduction efforts, recyclable packaging studies are carried out in cooperation with packaging suppliers.
- As part of the efforts to identify alternative suppliers, a total of 13 new supplier companies were brought into the system, including ten alternative suppliers for 54 packaging materials and three alternative suppliers for six food additives, resulting in savings of approximately TRY 18 million.

# Strong Cooperation with Suppliers

Pınar Et works with suppliers that observe quality and food safety standards by developing long-term collaborations and solution partnerships.

Pınar Et, which delivers healthy and delicious products to consumers all over Türkiye and many parts of the world, maintains its strong collaborations in the procurement process. Supporting the development of its business partners, the Company shares its findings with its suppliers to improve processes when necessary. The Company also contributes to the growth of its suppliers with its expanding business volume.

Pınar Et, which does not compromise on quality and food safety with its strong collaborations based on many years of experience, chooses organizations that comply with Yaşar Group's sustainability approach when choosing suppliers. Suppliers that comply with the Group's principles are evaluated under the categories of Food Safety, Quality, Ethics, Environment, Occupational Health and Safety, and Energy Management.

The Company also takes into account the fight against global climate change in its sustainable cooperation with its suppliers. In this direction, Pınar prepared an ESG criteria form for energy and water use to raise suppliers' awareness of climate change and monitor their environmental impact. Through this form, suppliers are asked to identify their consumption and set targets to reduce their impact.

The requirements of FSSC 22 000, BRC/IFS standards, and Pınar Et Supplier Principles Guide prepared within the scope of UNGC are used as reference documents in supplier audits. Suppliers that meet the requirements set out in the Guide and are approved by the Company sign the "Pınar Et Supplier Principles Guide." These requirements are ensured through contracts signed with suppliers.

Pınar Et continues to evaluate its suppliers not only when they are included in the system but also throughout the entire cooperation process. As part of Pınar Et's Supplier Evaluation System, prospective or existing suppliers are carefully inspected and audited by professional teams. Suppliers that comply with the criteria are assessed through on-site inspections. Suppliers that are likely to provide reliable and high-quality raw materials and inputs are included in the system if they fulfill all the criteria, after

which collaborations are established. Relations with existing suppliers are reviewed through regular audits. In case of continued compliance, cooperation with these suppliers is further developed.

Supporting domestic production, Pınar Et meets the need for meat with live animals that it buys from numerous domestic breeding farms in different regions of Türkiye. The Company aims to work with local suppliers close to its facilities to minimize the risk of potential supply issues that may arise from the energy crisis. Continuing its efforts to expand its purchasing regions, the Company's imports accounted for only 1.4% of its total purchases in 2023. Believing that safe and hygienic production requires reliable business partners, the Company continues its supply policy with this awareness.

Pınar Et received the Certificate of Good Agricultural Practices (GAP) in 2021, covering turkey hatchery, breeding, feed, and meat production, and continued these practices in 2023 as well. The Company's certification covers Food Safety, Animal Welfare, Environment, and Occupational Health and Safety.

The Certificate of Good Agricultural Practices guarantees that the Company's products are free of chemical, physical, and microbiological contamination or residues and that they are produced without polluting the environment or harming the natural balance. With this certification, Pınar Et guarantees that it ensures the safety of its employees and the welfare of live animals during the production process and that it operates in accordance with the relevant legal requirements of the countries of production and consumption.

## COOPERATION WITH ÇAMLI YEM BESİCİLİK

Pınar Et purchases all of its turkey feed and slaughters its turkeys at its facilities to international standards, using modern technological methods. The specialist technical staff of the Company work actively in the field for the supply of the best quality bovines. Experts support livestock breeding with their inspections.

# Pinar Et Products

## DELICATESSEN

- » Soudjouk
- » Salami
- » Sausage
- » Ham
- » Smoked Meats
- » Roasted Meat
- » Pastrami



## FROZEN PROCESSED MEAT PRODUCTS

- » Burger
- » Meatball
- » Coated Meat Products

## FROZEN ORGANIC MEAT PRODUCTS

- » Organic Burger

## FROZEN PLANT-BASED PRODUCTS

- » Falafel
- » Vegetable Patties
- » Cheese Croquet
- » Onion Rings
- » Burger Patties, Veggie Patties and Nuggets



## FROZEN BAKERY PRODUCTS

- » Pizza
- » Puff Pastry
- » Manti
- » Borek
- » Boyoz



## UNPROCESSED MEAT PRODUCTS

- » Unprocessed Turkey Cuts
- » Unprocessed Beef and Lamb Cuts

## FROZEN SEA FOOD

- » Shrimp
- » Calamari
- » Anchovy, Sardine, and Whiting Products
- » Coated Seafood

## CANNED MEAT PRODUCTS

- » Canned Turkey Fillet

Pinar Et strives to meet the expectations of consumers with 516 products under eight categories.



# Innovations for Changing Trends

In addition to developing new products, Pinar Et also renewed its existing products during the year.



The trust that consumers have in Pinar and the search for budget-friendly products play an important role in their food purchasing decisions. Additionally, factors such as willingness to support local brands and preference for local products can also be mentioned among the key drivers of purchasing decisions. According to the 2023 IPSOS FMCG report, national chains, which have a competitive edge in terms of their variety of budget-friendly products in the face of rising prices, have been the channel that has grown the most and increased their share this year. Consumer preferences have shifted towards more affordable products, and the share of frozen products in consumption has increased. In 2023, consumers focused on how to shop smarter and shifted from the loose product category to the packaged name brand category.

Continuing its efforts to offer solutions that meet changing consumer needs and demands, Pinar Et further expanded its portfolio with 38 new products in 2023, including 15 for retail, 5 for e-commerce, 1 for private customers, 12 for export, and 5 for OHC channel. These include vegan products that appeal to growing plant-based dietary habits, gourmet delicacies for consumers in search of special flavors, and ready meals for those in search of practical solutions.

In addition to new product development, Pinar Et also continued its efforts to renew the brands in its existing product portfolio. The Company innovated the packaging design and materials of Pinar Aç Bitir, Pinar Mangal Keyfi, Pinar Sosis, and Pinar Doyum brands to make them stand out on store shelves in line with emerging trends.

## Special Products and Services for PinarOnline

PinarOnline offers its customers a unique shopping experience by delivering products and services tailored specifically for the platform that are not available through conventional shopping channels. Having received great interest from consumers, PinarOnline added 142 new products to its existing product range in 2023. Pinar Et also increased the variety of complementary products on this platform and ramped up its efforts to expand its delivery network.

In addition, the Company carried out various activities to support the sale of turkey meat as a source of high-quality protein. In this context, the Company introduced turkey varieties enriched with different flavors, such as mustard and spices, and periodically sold whole and half turkeys specially produced for New Year's Eve.



You can view all product groups of Pinar Et by scanning the QR Code on your phone.



# Pinar Et Consumers and Customers

Pinar Et focused on strengthening its brand image and promoting new products through its communication activities throughout the year.

Continuing its efforts on new communication and marketing channels, Pinar Et updated its sales plans in line with its strategy of developing new value-added products tailored to different customer profiles. In 2023, the largest share of sales by product group once again went to delicatessen products with 69.8%. With options that appeal to different age groups and dietary habits, the Company continued to offer consumers a wide range of frozen products and canned products, and it developed delicatessen products, including meat, bakery products, and seafood.

The Company responded to the needs and expectations of consumers of all groups and continued its product development efforts without ignoring the changing requirements of various sales channels. The Company increased its effectiveness in all markets and maintained its brand value through communication activities that foster positive emotions among consumers and customers.



## Direct communication with consumers through PinarOnline

With technology becoming increasingly influential in every field, online shopping has become an indispensable part of daily life. Launched in 2021, the e-commerce platform PinarOnline continues its journey with the goal of strengthening the Brand's online presence and establishing direct communication with consumers. In this context, PinarOnline reached 82 thousand customers and 2.5 million visitors in a single year with its flexible and agile structure. Allocating 70% of its marketing budget to digital channels, PinarOnline offers consumers access to Pinar products through its website and mobile application.

In addition, the Company offered special deals to consumers for Eid al-Adha, Ramadan, and New Year's Eve. The Pinar Kasap service, which offers Pinar's high-quality and delicious fresh meats, provides users with the opportunity to enjoy meat varieties specially produced for this platform.

**New warehouse investment:** In 2023, PinarOnline commissioned its new warehouse in Ayazağa, Istanbul, significantly increasing its logistics capacity. The Company stores complementary products along with Pinar products at the Ayazağa warehouse, which has three temperature regimes: dry, cold, and frozen.

**Sustainability:** PinarOnline focuses on sustainability by adopting an eco-friendly approach and makes investments on this basis. Keeping the carbon emissions generated in logistics activities under control, in particular, is very important in terms of combating climate change. PinarOnline also pursues many different initiatives to eliminate carbon emissions in line with its vision. Today, the Company's fleet consists of 25% electric vehicles, and a key goal of PinarOnline is to fulfill all of its deliveries using electric vehicles by 2030.

**New delivery models:** PinarOnline offers customers in Istanbul, Ankara, and Izmir the option of "delivery by appointment" and delivers product groups at temperatures between +4 °/-18 ° quickly and safely. With the commissioning of the Ayazağa warehouse, the Company adopted a same-day delivery model in three different slot intervals in Istanbul.

In the summer of 2023, PinarOnline served its customers in 25 neighborhoods of Çeşme using eco-friendly electric vehicles. Flavors exclusive to PinarOnline, a variety of Pinar products from fresh meats to snacks, and budget-friendly deals exclusive to the platform were offered to consumers throughout the summer in Çeşme.

PinarOnline sent its products that do not require the cold chain to all parts of Türkiye via cargo.

**Support for solidarity:** Pinar Online fulfilled its social responsibility by participating in the relief efforts after the earthquake in Kahramanmaraş that left the whole country in mourning. Support efforts for local producers in the region continued throughout the year.

## Supporting students through academic collaborations

Yaşar Group strongly felt the process of change and transformation in 2023, while PinarOnline launched a next-generation education internship concept thanks to the partnership it established with Altınbaş University. The Gastronomy and Culinary Arts Department of Altınbaş University and PinarOnline launched a 14-week program as part of this collaboration to introduce the chefs of the future to sustainable culinary concepts.

In the “Sustainable Cuisine” courses of the program, gastronomy students transformed what they learned into creative recipes for sustainability and zero waste in the kitchen.

## 2024 Targets of the Platform

PinarOnline will continue its product development efforts in 2024 in line with consumer needs and insights. Planning to expand its target audience by improving its product portfolio, PinarOnline aims to introduce its special products to more consumers and increase brand awareness in 2024. To this end, PinarOnline plans intensive communication activities in both traditional and digital channels for the year.

PinarOnline intends to offer its consumers a faster, more practical, and user-friendly website and application interface with infrastructure development and renewal works in 2024. The Company continues to work on the feasibility studies of the infrastructure in targeted cities to expand its delivery network and offer its services in different regions of Türkiye.

In 2024, PinarOnline plans to improve all its warehouse and logistics operations by establishing its own warehouse and distribution management systems, thus increasing its operational efficiency.



You can access Pinar's e-commerce platform PinarOnline [here](#).

## COMMUNICATION STRATEGY

In its communication campaigns during 2023, Pinar Et focused on increasing product awareness, strengthening the brand image, and promoting new products. The Company continued its communication activities targeting different audiences and consumption habits across all product groups. Throughout the year, the Company also carried out campaigns covering special occasions on TV and digital channels.

The Company's 2023 communication activities continued with campaigns focused on the PinarOnline platform. In addition to these campaigns, intensive efforts were made to promote burger, pizza, and bakery products in the frozen products category, plant-based and bakery products in the global market products category, and delicatessen products in all channels. The Company prioritized the “İllaki Kasap Sucuk” brand in the delicatessen category. Communication activities in the soudjouk category focused on the Aç Bitir brand and products with new packaging designs. Advertising films met with followers on digital platforms.

Focusing on sharing recipes and product communication on social media channels, Pinar Et strengthened the bond it established with consumers. The schedules of communication activities were adjusted according to the periods when consumers were more likely to purchase. In this way, consumers were reminded of the products prior to purchase, encouraging them to make one. The framework for the brand's communication strategy was created with the websites [www.tasteofpinar.com](http://www.tasteofpinar.com) in global markets and [www.lezzetfikirleri.com](http://www.lezzetfikirleri.com) in Türkiye.

## Events Attended in 2023

- 6th International White Meat Congress, 1-5 March 2023
- 7th International Izmir Economics Congress, 17-18 May 2023
- WorldFood Istanbul, 3-6 September 2023
- 92nd Izmir International Fair, 1-10 September 2023
- Anuga Fair, 7-11 October 2023
- Migros 100th Anniversary Fair, 20-22 October 2023
- Gasto Ege, 23 November 2023
- 9th Sustainable Food Summit, 12-14 October 2023
- Republic Festival of Pinar Karşıyaka Sports Club's Youth Division, 29 October 2023
- 32nd Quality Congress, 21-22 November 2023

## PINAR COMMUNICATION CENTER

Pınar Et meticulously follows consumer feedback. With the Pınar Communication Center (PCC), which customers from all over Türkiye can reach via the phone number 444 76 27, we continued to work in line with the principle of “Our Consumers and Our Customers Come First.” Calls for complaints, suggestions, information, criticism, and praise related to products and services received by the Pınar Communication Center are answered by PCC operators between 07.00 - 23.00. Requests and suggestions received by the Pınar Communication Center are meticulously examined and taken into account within the Company. Any feedback received is recorded and answered per the Law on Protection of Personal Data. Unresolved complaints are directed to the relevant units, and the entire complaint management process is followed from beginning to end.

According to 2023 data, the successful call reception rate in PCC was 87.02%, while the customer satisfaction rate was 84.09%.

Customers can also reach the Pınar Communication Center at x.com/InfoPınar and facebook.com/PınarİletişimMerkezi. The PCC also examines and resolves requests and suggestions received via social media with its official X and Facebook accounts, providing the fastest response to consumers.

### “Accessible Communication Line” from PCC

Pınar Et cares about receiving feedback from its customers in disadvantaged groups and learning about their expectations.

The Company offers the “Accessible Communication Line” service through PCC (Pınar Communication Center) for customers with impaired vision and hearing.

The Accessible Communication Line was launched to facilitate the shopping experience of disadvantaged customers with vision and hearing loss in Türkiye. Thanks to this practice, Pınar Et can fully communicate with all its consumers. Thanks to PCC, individuals with visual and hearing impairments can convey their opinions, wishes, suggestions, and requests to Pınar Et 7 days a week between 07.00 and 23.00. Consumers can reach an operator using the phone number 444 76 27 of the Pınar Communication Center, as well as the call service



number reported to the Associations of the Visually Impaired in Türkiye. Consumers with visual and hearing impairments can communicate via voice communication channels and receive video support by showing the products to the operator. In this way, customers have access to all information about the product content. They can find answers to all their questions about the importance of the expiry date, caloric value, preservatives, etc.

## WIDESPREAD DISTRIBUTION NETWORK

Pınar Et continues to cooperate with Yaşar Birleşik Pazarlama (YBP), a Yaşar Group company, in its distribution activities. Yaşar Birleşik Pazarlama, the Company's most effective distribution channel, maintained its dominance with a 72% share in the sales realized in 2023. While the share of the direct channel in Pınar Et sales was 22%, the export channel had a share of 4%.

YBP serves Pınar Et's 10 Regional Directorates and more than 100 dealers with over 1,200 vehicles. Yaşar Birleşik Pazarlama, with its expert team, which delivers Pınar Et products in the freshest, healthiest, and fastest way to over 155 thousand sales channels, is one of the most important stakeholders of Pınar Et. This cooperation plays an important role in maintaining Pınar Et's market leadership. YBP constantly updates its operations with the most modern software systems and works in coordination with Pınar Et. YBP, which regularly reports service results to Pınar Et, continued to provide regular training to its team and business partners throughout the year to improve sales skills.



You can find detailed information about YBP's activities [here](#).

# Pınar Et Family

Pınar Et organized various training programs and events throughout the year to ensure employee engagement, development, and satisfaction.

## HUMAN RIGHTS AND EMPLOYEE RIGHTS

Pınar Et, a member of the Yaşar Group, manages its human resources policy to employ an innovative, highly motivated, highly performing, qualified workforce and to increase the commitment of its workforce through sustainability. Yaşar Group offers equal opportunities to every candidate without discrimination based on gender, nationality, race, religion, ethnic origin, age, belief, language, sexual orientation, marital status, disability, social or economic status, or political affiliation. Pınar Et adopts an approach in line with universal values in its human resources management, as in all its activities. Employees are given equal opportunities in all human resources processes, such as recruitment, remuneration, performance evaluation, promotion, assignment, rotation, training, and development. The Company honors the contracts signed with employees. All contracts signed are prepared in full compliance with the legislation and the Law on the Protection of Personal Data.

In order to strengthen and develop its human resources created by the knowledge, skills, and experience criteria required by the position in light of the principle of “Science, Unity, Success,” Pınar Et brings together educated and experienced individuals who are people-oriented, adopt knowledge sharing as a principle, value the spirit of unity, are open to all science-based developments, and adopt a participatory management and success-oriented work approach.

While organizing various training activities to ensure employee satisfaction and loyalty, the Company encourages employee participation in training activities to support their personal and professional development.

The Company participates in projects that support the development of its employees at all levels, from new hires to senior management, through programs such as talent management, development, and mentoring provided within the Group.

The Company continues to work in compliance with internationally recognized principles such as the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Women’s Empowerment



Principles and ILO Conventions, as well as the legal framework and legislation regulating human rights and labor in Türkiye. The principles and policies are included in the Business Ethics Guidelines as company policies and in the collective bargaining agreements of the companies. They are also made public on the corporate website.

Pınar Et continued its in-class training in 2023 in line with its core business policies and strategies and also conducted online training sessions using digital platforms. During the year, the Company provided 861 employees with a total of 16,330 hours of training.



You can access Pınar Et’s Basic Human Resources Policy [here](#).

## Training Programs and Events in 2023

In 2023, Pinar Et organized several training programs and events for its employees, including in-class training, vocational training, and special day events.

- Vocational Training was provided by the Vocational Training Center to 60 employees working in the Production function, who received journeyman certification.
- The Mastery Compensation Program, a MESEM project, continued to increase the professional experience of employees and to ensure that they receive a mastership certificate after the program. 253 employees received a certificate of mastery in 2023.
- Employees working on the production floor were provided with information training in cooperation with Tek Gıda-İş Union on industrial relations and labor laws.
- Employees of departments such as marketing, R&D, quality, purchasing, etc., were provided with technical and personal development training and participated in congresses as part of management skills development and specialization training.
- Newly recruited employees received OHS, quality management systems, environment, sustainability, and energy management training on their first day of work.
- The Company has volunteer teams to represent employees and relay their requests and suggestions. A four-person team represents production employees. A three-person team was appointed in 2023 to represent office employees.
- The Company acts in strict compliance with competition rules in all its operations. In this context, managers and employees working in various functions were provided with "Competition Law" training in 2023 to refresh their knowledge and raise awareness. In addition, audits were conducted by a contracted consulting firm.
- "Social Courtesy in Communication" training was provided to employees working as executive assistants.
- Bimonthly meetings were held with Human Resources and Trade Union Representatives to evaluate all employee-related issues.
- Pregnant employees were given training on their legal rights and benefits. Employee awareness was raised,

and employees were encouraged to exercise their legal rights. In this way, the Company aimed to increase the rate of female employees returning to work after giving birth while ensuring employee commitment.

- Awareness raising and information activities were carried out through brochures, posters, and announcements as part of Epidemic Diseases and Breast Cancer Awareness Month. The company collaborated with health institutions to organize events such as breast cancer screening and blood donations.
- Pinar Et, which conducted various activities to improve employee engagement and satisfaction, prepared special gifts for its female employees on 8 March International Women's Day and gifts for all employees on other special occasions. Activities such as Coffee and Ice Cream Festivals, the "Pınar'a Gidiyorum" Event, the Republic: The Value of Our Essence Event and Service Appreciation Ceremony, the Traditional Iftar Dinner, and the International Pınar Children's Painting Competition etc. were organized for all employees.
- Pınar Et delivered aid to earthquake victims through the Yaşar Education and Culture Foundation in cooperation with AFAD and with the individual support of employees.
- The Company launched the "Orientation Process Evaluation Survey" to closely monitor the adjustment and orientation processes of new hires and to ensure that necessary improvement works and corrective actions are implemented at the right time.
- Pınar Et's Collective Bargaining Agreement with Tek-Gıda İş Union covers the period between 1 January 2022 and 31 December 2023, and the agreement will be renewed in 2024.

### TOTAL TRAINING PROVIDED IN 2023

16,330 HOUR

### AVERAGE NUMBER OF EMPLOYEES THROUGHOUT THE YEAR

861



### **Cultural transformation at Pinar Et: Investing in the future and the youth**

- A “Cultural Transformation Project” was initiated at Pinar Et to develop ways of doing business and relationships that will unleash the Company’s potential at a higher level, thereby supporting sustainable success. This project is considered an important step in strengthening the organization to keep it in line with global developments.

- The “Yaşar HR Academy” program was launched with the participation of HR professionals to build competencies and discover new talent for Yaşar Group.

With the goal of incorporating young talents that will shape the future of Yaşar Group, Pinar Et recruited new graduate candidates in certain departments through the “Yaşar’a Adım” (YAP) project. Candidates participating in the YAP project continued to work at the Company at the end of the project.

- The “Youth Class (Project Assistant) Project” was designed to create a pool of potential candidates for Yaşar Group, to discover successful students before they graduate, and to assess them for open roles upon graduation. Pinar Et hired candidates for certain departments under the project. Candidates participating in the Youth Class project continued to work in the Company at the end of the project.

- The Company provided internship opportunities to 37 students, mainly students of Yaşar University and other universities, to enable future generations to gain internship experience before starting their professional life, to increase their knowledge and experience level, to ensure their personal development, and to allow them to put their field-specific theoretical knowledge into practice.

- The Human Resources Function of Yaşar Holding collaborated with “Eleman.net” and “Youthall” in addition to actively using “Yaşar Kariyer,” “Linked-in” and “Kariyer.net” to announce open positions to young talents. Pinar Et started to actively use these platforms.

- The Company’s Human Resources Department participated in the career fairs organized by İzmir Metropolitan Municipality and Bornova Municipality.

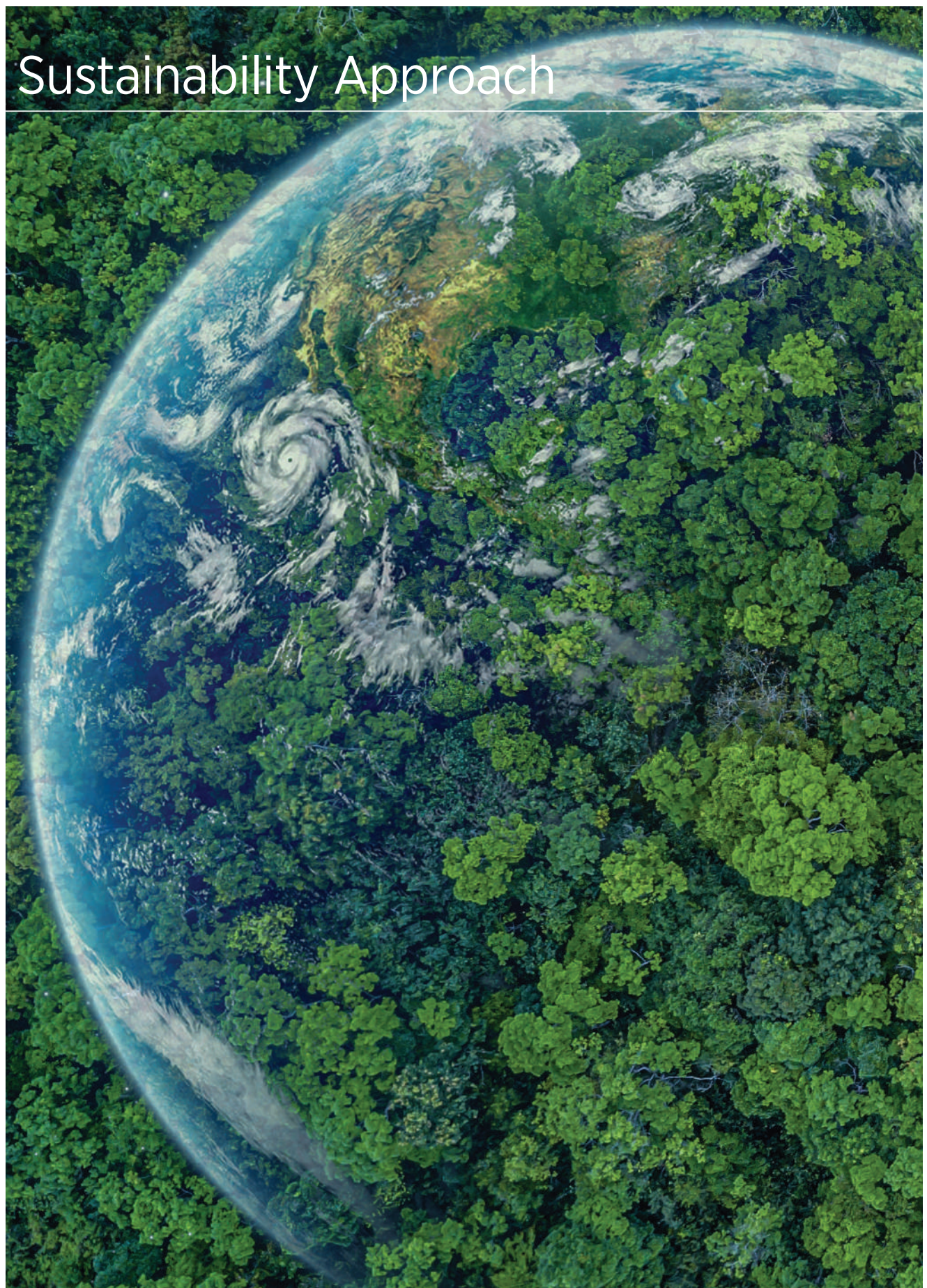
- Technical trips were organized to Pinar Et’s facilities for several high schools, universities, and institutions.

- Pinar Et provided scholarships to undergraduate and secondary school students for the 2022-2023 academic year.

### **A HEALTHY AND SAFE WORKING ENVIRONMENT**

- Pinar Et is committed to providing a healthy and safe working environment for its employees. The Company fulfills all legal obligations in this regard. In addition, spreading the safety culture among all Company employees forms the basis of creating a safe and healthy working environment for Pinar Et. The Occupational Health and Safety Committee, established with the participation of all process managers to carry out occupational health and safety activities effectively, continued its work in 2023.
- Throughout the year, risk analyses were conducted with employee participation, and plans to prevent occupational accidents and diseases were prepared and implemented. Efforts continued to eliminate or minimize unsafe situations and actions that could cause occupational accidents by using active control mechanisms.
- Working conditions were frequently reviewed with periodic inspections. When any problem was detected, measures were taken, and processes were kept under control without losing time. Drills were conducted to ensure preparedness for emergencies and to raise employee awareness.
- The TSE Covid-19 Safe Production Certificate was successfully renewed upon auditing. In this context, Workplace Physicians provided information on infectious diseases.
- Refresher training on Occupational Health and Safety was provided to all employees by Occupational Health and Safety Specialists and Workplace Physicians.
- Holding the ISO 45001 Occupational Health and Safety Management System certificate, Pinar Et continued to regularly review its Occupational Health and Safety Policy and its targets, depending on changing conditions.
- Having taken all necessary measures to achieve its “Zero Occupational Accidents” goal, the Company improved its existing system by canvassing the opinions of employees at Occupational Health and Safety Board meetings in 2023.
- The Company followed legislative updates and worked on compliance with the amended legislation.
- Due to its corporate structure, the Company also checks the legal compliance of the companies with which it cooperates or will cooperate by considering the safety of external service providers and suppliers. Pinar Et also informs the companies it cooperates with about changing legislation.







## Pınar Et develops business models that focus on sustainability to achieve the goals set as part of the sustainability strategy of Yaşar Group, the parent company of Pınar Et.

In line with the Yaşar Group's Sustainability Policy, sustainability approach, and sustainability priorities, Pınar Et manages sustainability by determining its strategies and objectives to develop the industry as well. The Company reflects the Group's understanding of "taking good care of all its stakeholders for a better life" across its entire value chain, from supply to sales. The sustainability strategy of the Yaşar Group, the parent company of Pınar Et, aims to take care of all stakeholders and provide them with a better life. The activities of Group companies, which carry out their operations in line with the targets set based on business models that focus on sustainability, serve the Sustainable Development Goals.

The Group signed the United Nations Global Compact (UNGC) in 2007. The Holding then published its sustainability performance, including a progress statement, in 2009. Pınar Et is also included in the reports prepared by the Group since 2011 per the basic standards of the Global Reporting Initiative (GRI) with Company-related information and data. Yaşar Group's 12th Sustainability Report, which includes 2022 data, was published in 2023 under the theme of "for a better life, guided by nature."



All Sustainability and Global Compact Reports of Yaşar Group can be accessed on the "**Sustainability**" section of Yaşar Holding's website ([www.yasar.com.tr](http://www.yasar.com.tr)).

While the greenhouse gas emission, water, and waste data monitored on an annual basis through Pınar Et's sustainability efforts are included in the Yaşar Sustainability Report, the emission factors used in the carbon footprint calculations presented in Scope-1 and Scope-2 detail are taken from the Turkish National Inventory Report (TR NIR) published in the UN Climate Change (UNCC).

Yaşar Holding has a Sustainability Committee as well as a Climate Crisis Working Group, and the "We Live Equally" Gender Equality Working Group was established under the committee. The Yaşar Holding Sustainability Committee, where Sustainability Leaders represent all Group companies, ensures coordination in the field of sustainability throughout the Group, monitors progress towards achieving sustainability goals, and leads the improvement of sustainability throughout the Group. The latest developments, changes in regulations, and ongoing and planned projects and works are evaluated,

and best practices are shared at regular committee meetings. The Board of Directors of Yaşar Holding leads the implementation of the Sustainable Development Policy by ensuring that sustainability efforts are carried out in line with priorities.

Pınar Et, a subsidiary of the Yaşar Group, also continues to carry out sustainability studies within the framework of the priorities set in coordination with the Sustainability Committee established with the participation of Company employees. The Committee works towards the implementation of the strategies, the achievement of the objectives, and the dissemination of the sustainability approach throughout the Company. The Pınar Et Sustainability Committee, also responsible for the execution of Environmental, Social, and Corporate Governance Policies, plays an active role in many studies throughout the year. The Company's Sustainability Committee Leaders monitor the performance indicators determined to achieve targets and ensure the coordination of the Annual Sustainability Report.

The Economic Sustainability, Social Sustainability, Environmental Sustainability, Climate Crisis, and Gender Equality working groups established under the Pınar Et Sustainability Committee continue to work towards sustainability.

Pınar Et, which closely follows developments related to the climate crisis, considers the crisis a significant risk of economic and social, as well as environmental impact.

Continuing its efforts to reduce its carbon footprint and energy density through risk assessments performed across the entire value chain, the Company observes the balance of natural resource use and protection in line with its awareness of the ecological footprint, especially that of carbon and water.

Yaşar Holding signed the "Business Plastic Initiative" in 2019. In 2023, Pınar Et continued to work on plastic reduction, recycled plastic use, and the recycling of plastics used per the Group's targets.

As a requirement of the Yaşar Group's holistic sustainability approach, Pınar Et aims to improve and develop the entire value chain from raw material supply to delivery to the consumer. The Company considers it a responsibility to spread its sustainability understanding to the suppliers with which it interacts beyond its own corporate structure, operation, and products. The Company continues to take action per the

targets set out rigorously for each area in its sustainability studies and to expand its field of influence by sharing these studies with its suppliers and including suppliers in these studies. The Company adopts the principle of “managing the environmental, social, and economic impacts of products and services throughout the life cycle and promoting good practices.” The policy aims to improve and strengthen the strong bonds established with the stakeholders on the supplier map.

The Company aims to contribute to a sustainable future by selecting suppliers and business partners that are among the key links in the value chain within the framework of Environmental Responsibility, Commercial Integrity, Fair Working Standards, Human Rights, and Compliance with Laws within the scope of Pinar Supplier Principles.

The training programs implemented throughout the year ensure that sustainability awareness is established and disseminated among Pinar Et employees as well as all Group companies.

 You can access Pinar Et's sustainability approach and relevant activities [here](#).

## SUSTAINABILITY EFFORTS

Pinar Et prioritizes environmental and social responsibility at all stages, from raw material supply to transportation and from consumption to recycling and waste treatment.

Climate crisis and gender equality issues, which are prioritized by Yaşar Holding per its sustainability approach, are also priorities of Pinar Et.

Reporting its sustainability efforts within the framework of the BIST Sustainability Index, Pinar Et continues its efforts for inclusion in the index.

The Company prepares its 'Statement of Compliance with Sustainability Principles' and submits the Statement to its stakeholders annually.

## ECO-FRIENDLY GOOD PRACTICES

Pinar Et's Administrative Building in Izmir once again proved how much the Company values eco-friendly practices and sustainability with its LEED Platinum Certificate.

Acting in compliance with legal requirements as part of its Environmental Management System, Pinar Et carries out its operations with the aim of protecting the environment

and reducing pollution. Every year, the Company successfully passes regular inspections by certification bodies, legal authorities, and customers.

The sustainability leader of Pinar Et, which carries out its activities related to the climate crisis with the working group formed in this context, participated in the UNGC Climate Ambition Accelerator on behalf of the Yaşar Group and initiated the necessary studies for science-based target setting.

In 2023, the Administrative Building in Izmir was awarded the LEED Platinum Certificate, which is recognized as an international benchmark for eco-friendly and sustainable building design.

This prestigious certification confirms that the building successfully meets a number of criteria, such as energy efficiency, water saving, mitigation of environmental impact, indoor air quality, and sustainable material use.

## EFFICIENT WATER AND ENERGY MANAGEMENT

Pinar Et prevented 1,002 tCO<sub>2</sub>e of carbon emissions by obtaining 10% of its electricity production from a green energy source in 2023, namely its Solar Power Plant, built with an investment of USD 1.1 million.

Pinar Et cares about reducing environmental pollution and using resources responsibly in all its processes and carries out its operations per its ethical approach as well as its legal obligations. Recognizing the rapid depletion of natural resources, especially potable clean water, Pinar Et aims to produce with the approach of “less energy, less water, and less waste.” The Company shares its “Water Policy,” which includes corporate commitments for the efficient use of water, on its website. Continuing its TSE EN ISO 14001 Environmental Management System practices, Pinar Et was audited by the TSE and completed the process. Pinar Et's Environmental Committee, which also includes site employees, develops projects to accelerate improvement efforts and raise awareness regarding environmental and water-related issues. Pinar Et continues its water consumption measurement, monitoring, and reduction efforts at all its facilities.

Working to reduce greenhouse gas emissions, Pinar Et continues its investments to become a carbon-neutral organization by the end of 2050. To this end, the Company started to install solar power panels (SPP) with an installed capacity of 1.77 MWp on the rooftops of its production facilities in September 2022. The SPP project was built with an investment of USD 1.1 million and, following approximately

one and a half years of work was commissioned on 20 March 2023. This 1.5 MWe (1.77 MWp) SPP meets approximately 10% of Pinar Et's total electricity consumption. Thanks to the SPP, which has generated 2,070,241 MWh of electricity since its commissioning, the Company has prevented 1,002 tCO<sub>2</sub>e of carbon emissions. In addition, the Company's total carbon footprint decreased by 3.94%.

## CARBON DISCLOSURE PROJECT (CDP)

Pinar Et reports its Climate Change and Water Safety performance annually to the CDP. This international non-profit organization, established to help companies and cities measure, disclose, manage, and share important data about their environmental performance and strategies to address climate change, provides companies and institutions with important sustainability assessments. Pinar Et was included in the "Management" level in 2022 and was rated with a grade of C in the field of water security and B- in the field of climate change by CDP. Pinar Et also highlighted its transparency by making its sustainability data available to the public as part of this reporting system.

## CARBON AND WATER FOOTPRINT MEASUREMENTS

Aiming to further reduce its carbon footprint every year, Pinar Et managed to reduce its carbon footprint by 6.38% in 2023 compared to the previous year, in line with its sustainability strategy. 2023 was accepted as the new baseline year, with the water treatment plant being connected to the Kemalpaşa Organized Industrial Zone's (KOSBI) treatment plant. The Company aims to reduce its carbon footprint by 30% by 2030 and its water footprint by 15% by the end of 2030.

The greenhouse gas inventory was measured as 25,184,000 kg CO<sub>2</sub>/year in 2020, 26,201,000 kg CO<sub>2</sub>/year in 2021, and 26,068,000 kg CO<sub>2</sub>/year in 2022. The inventory was measured as 24,414,000 kg CO<sub>2</sub>/year in 2023. The greenhouse gas intensity was calculated as 0.627 tons CO<sub>2</sub>/ton of product in 2020, 0.644 tons CO<sub>2</sub>/ton in 2021, and 0.724 tons CO<sub>2</sub>/ton in 2022. The greenhouse gas emission intensity of the Company was measured as 0.645 tons CO<sub>2</sub>/ton of product in 2023.

## WASTE MANAGEMENT

Pinar Et responsibly manages its sustainability efforts and supports the circular economy. In this context, the Company recognizes that all types of waste are potential raw materials and energy sources and closely follows global developments in this field. The Company, which also focuses on new ideas and methods for waste management as part of its R&D activities, manages the waste generated by its production activities through its Waste Management System. The Company ensures that the types of waste are determined, collected separately at the source, temporarily stored, and delivered to the relevant

licensed recycling facilities. Data on waste management is regularly reported in the information system of the Ministry of Environment, Urban Planning and Climate Change.

As a participant in the Zero Waste project of the Ministry of Environment, Urban Planning, and Climate Change, the Company received a "Zero Waste Certificate" in 2021. The Company continued to use the Zero Waste Management system in 2023 as well.



You can access the environmental data of Pinar Et by scanning the QR Code on your phone.

## ENERGY EFFICIENCY EFFORTS

Continuing its TSE EN ISO 50001 Environmental Management System practices in 2023, Pinar Et was audited by the TSE and completed the process.

The Environmental Committee, established within the Company in 2018, aims to raise awareness of environmental, water, and energy issues involving all processes to boost improvement efforts to protect the environment and natural resources. In this context, the Committee continued its activities in 2023 to turn the improvements deemed necessary into projects.

## ENVIRONMENTAL RESPONSIBILITY AWARENESS

Pinar Et undertakes various projects to raise awareness of environmental responsibility. With the sapling planting project launched in 2014 in cooperation with the Regional Directorate of Forestry, the Company plants a certified sapling on behalf of each employee who brings ten waste batteries.

The Company managed to collect 3,500 waste batteries from its employees in 2023. In return, 350 saplings were planted.

Pinar Et also participates in the activities of the Environment and Afforestation Commission established by KOSBI. Employees who raise awareness by participating in the "Waste Vegetable Oil Collection" project implemented by the Company leave the waste oil they bring from their homes to the collection unit at the Company's facility and prevent it from entering the water and sewage system.

Aiming to raise employee awareness to realize its sustainability and environmental policies, Pinar Et organizes informative training on energy use and the environment.



## QUALITY-ORIENTED MANAGEMENT

Pınar Et manages all of its production processes with its “Quality Management Systems” implemented without compromising quality and food safety. The Company is prepared for potential crises thanks to its risk and opportunity analyses and continuously improves its processes, which it manages with an approach that turns risks into opportunities.

The Company, which has adopted the principle of working per the laws and ethical values, follows all legal requirements, including environmental laws and regulations, and verifies them by following the compliance processes.

### Documents and Certificates

- TS EN ISO 9001:2015 Quality Management System
- FSSC 22000: 2018 Food Safety Management System
- TS EN ISO 14001:2015 Environmental Management System
- TS EN ISO 50001:2018 Energy Management System
- TS ISO 45001:2018 Occupational Health and Safety Management System
- TS EN ISO 17025:2017 TSE Test Laboratory Approval Certificate
- Halal Food Certificate
- Organic Entrepreneur Certificate
- TSE COVID-19 Safe Production Certificate
- Certificate of Good Agricultural Practices
- Zero Waste Certificate
- LEED Platinum Certificate

Pınar Et, which controls all stages of production processes with its Food Safety and Quality Management System, ensures products produced in safe, healthy, and hygienic conditions are protected in the same conditions until delivered to consumers. Having established its own Food Safety Management System based on internationally recognized systems such as FSSC 22000 Food Safety Management System, BRC, and IFS, Pınar Et proves its quality as the first company in the industry to receive the TSE COVID-19 Safe Production Certificate.

Management systems are effectively implemented in the fully equipped Integrated Red Meat, Integrated Turkey, Processed Seafood, and By-Products production facilities of Pınar Et.



## GOOD AGRICULTURAL PRACTICES

In 2023, Pınar Et maintained its Good Agricultural Practices (GAP) certification, which covers Food Safety, Animal Welfare, Environment, and Occupational Health and Safety, and continued its efforts in this field. This certification, which covers the Company’s activities related to turkey hatchery, breeding, feed, and turkey meat production, includes the following criteria:

- No chemical, physical, or microbiological contamination or residues,
- Production without polluting the environment and without damaging the natural balance,
- Consideration of the safety of employees and the welfare of animals in the production process,
- Production in accordance with the relevant legal requirements of the countries in which products are produced and consumed.

## FOOD SAFETY MANAGEMENT SYSTEM

As a member of the Yaşar Group, Pınar Et supports the United Nations Global Compact and works in line with the UN Sustainable Development Goals. The Company adopts the principle of producing high-quality, reliable, and accessible products for its consumers and effectively uses its “Food Safety Management System” to this end. The Company develops methods to facilitate communication with its customers and consumers and receives their feedback. Pınar Et continuously improves its products and

systems by evaluating this feedback to offer better products and services to its consumers.

By implementing HACCP (Hazard Analysis and Critical Control Points), TACCP (Threat Assessment and Critical Control Points), and VACCP (Vulnerability Assessment and Critical Control Points) systems, all intentional and unintentional risks that may threaten food safety are actively managed.



You can learn more about Yaşar Holding's efforts related to the Sustainable Development Goals [here](#).

## TSE CERTIFIED LABORATORIES

Pınar Et inspects its products in-house first and foremost. In this context, the Company has the competence to verify the compliance of its products with the Food Safety Management System, legal requirements, customer demands, and specifications in its advanced laboratories. This allows Pınar Et to conduct product analysis and closely monitor all factors that may pose a risk, from raw materials to the final product.

Pınar Et's laboratories, equipped with state-of-the-art technology, hold a TSE Test Laboratory Approval Certificate. The Company's laboratory, which has been certified by national and international bodies for its superior standards, plays an important role in maintaining its production approach that does not compromise on high quality. Equipped with state-of-the-art technology, this laboratory conducts chemical, microbiological, and molecular analyses required by food industry regulations.

The laboratory software developed as part of the traceability system digitalization efforts, which started in 2021 as a requirement for safe food production, went live in July 2023. Digitalization efforts continue with the S4/HANA module of SAP.



You can access the Pınar Et TSE Test Laboratory Approval Certificate [here](#).

## FULL MARKS IN AUDITS

Pınar Et has once again certified its high quality by successfully passing the 58 different audits required for the Turkish and export markets in 2023.

Pınar Et continuously improves its "Quality and Food Safety Management Systems, Environment, Energy, Occupational Health and Safety and Laboratory Management Systems" to certify its reliability and quality for the Turkish and export markets. In this context, the Company passed TSE Integrated Management Systems, Halal Food, and organic product certification audits in 2023, once again certifying its successful performance. In addition, the Company scored full marks in audits carried out by relevant Ministries, chain markets, and private customers.

Pınar Et successfully passed various audits conducted by the official institutions of export countries as well as periodic audits conducted by the Ministry of Agriculture and Forestry for foreign markets.

## PINAR ET SUPPLIER PRINCIPLES GUIDE

Pınar Et sets out its corporate sustainability approach and principles in the "Pınar Et Supplier Principles Guide." The Company offers this guide as a reference to all suppliers in its value chain and signs contracts with its stakeholders to work in compliance with the principles set out in this guide. This authorizes Pınar Et to regularly audit its suppliers in line with this document. The Company closely monitors the compliance of suppliers with the principles in the guide, ensuring they meet its quality standards.

Encouraging sustainability both internally and externally, Pınar Et supports its suppliers in establishing tracking systems to monitor and reduce their energy and water consumption. To this end, the Company prepared the ESG criteria form for energy and water consumption in 2022 that raises awareness among its suppliers of the impact of climate change and enables them to monitor their impact on the environment. Pınar Et continued to use this form in 2023. The Company continues to collaborate with its suppliers to determine their energy and water consumption and set reduction targets.

# Corporate Social Responsibility

Pinar Et continued to support sports, arts and culture, and education throughout the year.

## PINAR CHILDREN'S THEATER

Pinar Children's Theater has reached more than three million children free of charge throughout Türkiye in the 36 years since its establishment. Pinar Children's Theater, which stands out as the first children's theater to tour 81 provinces of Türkiye, staged the play "Little Girl and the Republic," specially prepared for the 100th Anniversary of the Republic in 2023. This play explains the values of the Republic, revolutions, science, and the arts through the eyes of children with the characters of a museum who come to life. The play emphasizes the importance of hard work, hope, and determination for the future. Also emphasizing the sheer extent to which Atatürk valued the Republic and its children, the play aims to raise awareness among new generations. Little Girl and the Republic makes all such values interesting by complementing them with songs, dances, and visuals.

Pinar Children's Theater's older plays remain available for viewing on the "Her Şey Çocuklarımız İçin" YouTube channel.



You can find detailed information about the "Her Şey Çocuklarımız İçin" YouTube channel by scanning the QR Code on your phone.



You can find detailed information about the works of **Pinar Children's Theater** here.



## INTERNATIONAL PINAR CHILDREN'S PAINTING COMPETITION

The International Pinar Children's Painting Competition has been organized for 42 years with the purpose of increasing the interest of primary school children in the art of painting and discovering the painters of the future. In 2023, thousands of children between the ages of 6-14 from 7 regions of Türkiye participated in the competition, which was organized with the theme "A Republic for Me" in honor of the 100th Anniversary of the Republic. Little painters painted the themes of "Republic" and "hope" during the competition.

Seven students won bicycles, and seven students won Bluetooth headsets in each region. In comparison, three students won bicycles, and three students won Bluetooth headsets in the special category for the region struck by the earthquake. In addition, all students who were successful in the competition were rewarded with professional painting kits and materials. Six students received a one-year scholarship through the Yaşar Education and Culture Foundation. This year, the jury members included Prof. Mümtaz Sağlam, Faculty Member Dilek Karaaziz Şener, Faculty Member Elif Dastarlı Dellaloğlu and journalist İhsan Yılmaz. The works of 26 talented students who were successful in the 42nd Pinar Children's Painting Competition and those works deemed worthy of exhibition were presented to art lovers in the Foyer Area of Yaşar University. The works continue to be published in the Virtual Magazine for the 42nd Pinar Children's Painting Competition, available at [www.pinar.com.tr](http://www.pinar.com.tr).



You can access the Virtual Magazine of the 42nd Pinar Children's Painting Competition, which remains published on [www.pinar.com.tr](http://www.pinar.com.tr), [here](#).

## PINAR CHILDREN'S PAINTING WORKSHOP

The activities organized within the framework of the "Pinar Children's Painting Workshop," which has been held simultaneously with the International Pinar Children's Painting Competition since 2016, enable children to discover their interest in the art of painting and reflect their imagination on canvas. This time round, the Pinar Children's Painting Workshop, organized as part of the "42nd International Pinar Children's Painting Competition" in 2023, helped disaster-affected children in the earthquake zone to enjoy a pleasant experience. Organized in 20 tent and container cities, the workshops brought thousands of children together through the art of painting. The works of the little painters participating in the workshops were also evaluated in the competition. As a special prize for this year, three successful little painters who participated in the workshops in the earthquake zone received bicycles as a special jury award.

## A COLLABORATION BETWEEN PINAR & TEGV: FIREFLY DESIGNERS AND INVENTORS

Pinar Et, in collaboration with the Yaşar Education and Culture Foundation and the Educational Volunteers Foundation of Turkey (TEGV), has initiated a journey to support education for children in earthquake-affected regions. By adding a new unit to TEGV's Firefly Learning Units, Pinar Et aims to reach children in these areas and help them explore science.

The "Design Inventors Firefly" program made its first stop in Adıyaman, meeting with children there. Continuing to engage with children in the earthquake-affected regions, Pinar Et plans to sustain this project for five years, reaching a total of 7,500 children.

The content of the Design Inventors Firefly Education Program was developed with a "learning together and by doing" approach. Through the program, children are introduced to tools like 3D printers, 3D design pens, electronic boards, sensors, motors, and recycled materials. By the end of the process, the program aims to enable children to use these tools to develop projects that address real-life problems they encounter.

## SUPPORT FOR SPORTS

Pinar Et continues to contribute to sports under the "Pinar" brand with a corporate culture approach focused on "Social Citizenship." Under the leadership of Selçuk Yaşar, Founder of Yaşar Holding and Honorary President of the Group until his death in February 2023, Pinar has been contributing

to the ideal of creating a healthy society, being the main sponsor of the Karşıyaka Basketball Team since 1998. Pinar also supports thousands of children playing sports in the youth programs of Karşıyaka Sports Club. In addition to basketball, Pinar also contributes to events in other sports branches.

## Pinar KSK

Yaşar Holding continues to support the Pinar Karşıyaka Basketball Team, named after the Pinar brand, with the aim of uniting locals, the youth, and children through sports, based on the ideal of making İzmir, where the Holding was founded, a city of basketball. Pinar, which has been the main sponsor of the Karşıyaka Basketball Team for 25 years, contributes to the team by supplying drinks in addition to its name sponsorship.

The club continues its European campaign in the Basketball Champions League alongside the Türkiye Sigorta Basketball Super League in the 2023-2024 season. Pinar has contributed to the sports of more than 25 thousand children so far with the support it has given to the infrastructure of the Karşıyaka Basketball Branch.



## Pinar Cup Tournament

The Pinar Cup Tournament, traditionally organized every year on behalf of Pinar Karşıyaka, was held on 21-23 September 2022 at the İzmir Mustafa Kemal Atatürk Karşıyaka Stadium. In addition to Pinar Karşıyaka, Manisa BŞB, and Ukrainian team Prometey competed fiercely in the Pinar Cup. Pinar Karşıyaka Basketball Team, which also opened the season with the Pinar Cup, enjoyed the excitement of meeting its fans before the 2023-2024 season.




You can access Pinar's sports-related corporate social responsibility activities by scanning the QR Code on your phone.



## SPECIAL PUBLICATIONS


### For Those Seeking Health and Well-being: The “Güzel Yaşa” Concept

Pınar Et continued its magazine, website, social media, and weekly e-newsletter efforts with the “Güzel Yaşa” concept in 2023. Since 2017, Güzel Yaşa magazine, which offers tips on how to live well, eat well, and stay healthy, has been reaching a wider audience thanks to its transition to a digital platform. With the digitalization of Güzel Yaşa magazine, Pınar Et’s and Yaşar Group’s sustainability efforts were also supported. With this step, a higher number of readers was reached, and the sustainability efforts of Pınar Et and the Yaşar Group were supported. Reaching its followers with regular weekly e-newsletters through its subscription system, Pınar Et continued to strengthen its target audience communication. Güzel Yaşa’s content was also shared on the PınarOnline platform.

 You can access all issues of the Güzel Yaşa magazine [here](#).

### For Final Consumers: Lezzet Fikirleri

The Lezzet Fikirleri project, which started its digital life in 2017 with Facebook, Instagram, YouTube accounts, and a website, offers recipes that final consumers can follow using Pınar products. The website lezzetfikirleri.com and social media accounts blend Pınar Et products with the unique recipes of Turkish and world cuisines, bringing them to the consumer’s kitchen. The project was expanded to include overseas operations in 2019, and its effectiveness in the digital world has been increasing year by year. Having reached more than 400 thousand individual users by the end of 2023, Pınar Lezzet Fikirleri unites people who love to cook and are open to trying different recipes.

 You can access the Lezzet Fikirleri website [here](#).

### For Employees: Benim Pınarım

The Benim Pınarım magazine is published quarterly for the Company’s employees in order to strengthen communication and commitment within the organization. The magazine contains news about the Company, up-to-date information about employees, internal announcements, and special content.

### For Business Partners: Pınar Newspaper

Addressing issues such as nutrition, milk and meat technologies, and livestock health, Pınar Newspaper continues to be an important source of reference for producers. The newspaper, which also includes content such as farm interviews and news from Pınar, is published quarterly and sent to Pınar’s business partners. With the new issue of Pınar Newspaper, it can be accessed to the entire archive at [www.pinar.com.tr](http://www.pinar.com.tr).

### For Social Media Users: Pınar’la Yaşam

Pınar contributes to social development by bringing together different target audiences and sharing useful content on social responsibility and sustainability issues through its X, Instagram, Facebook accounts, and YouTube channel “Pınar’la Yaşam.” Providing useful and up-to-date information to families through mother-child communication on its accounts, Pınar also informs the youth about issues such as sports and environmental awareness. Pınar supports the artistic development of children with the workshops it organizes on its Instagram accounts.

## SPONSORSHIPS

Pınar Et, which participates in many congresses in areas such as R&D, sustainability, and marketing in the food sector as a participant and a sponsor, also supports events that contribute to the development of culinary and geographical culture in Türkiye. Accordingly, Pınar Et continued to provide sponsorship support to many congresses, summits, forums, and workshops in 2023.

### Events Attended in 2023

- 7th International Izmir Economics Congress, 17-18 May 2023
- WorldFood Istanbul, 3-6 September 2023
- 92nd Izmir International Fair, 1-10 September 2023
- Anuga Fair, 7-11 October 2023
- Migros 100th Anniversary Fair, 20-22 October 2023
- Gasto Ege, 23 November 2023
- 9th Sustainable Food Summit, 12-14 October 2023
- Republic Festival of Pınar Karşıyaka Sports Club’s Youth Division, 29 October 2023
- 32nd Quality Congress, 21-22 November 2023



# Awards

Pınar Et continues to be appreciated for successfully fulfilling its responsibilities towards the environment and society.

## **“Most Admired Company” Award to Pınar Et**

Pınar Meat was named the “Most Admired Company” in the “Packaged Meat Products” category in the “Most Admired Companies of the Business World” survey organized by Zenna Research and Consultancy.

## **LEED Platinum Certificate to Pınar Et**

The administrative building at Pınar Et’s İzmir Campus was awarded LEED Platinum certification, an international benchmark for eco-friendly and sustainable building design.

## **Pınar, the “Brand that Embraces the Values of the Republic!”**

In a survey conducted by Marketing Türkiye Magazine and Research Companies, Pınar ranked among the “Brands that Embrace the Values of the Republic.”

## **Two Awards for Pınar Children’s Theater**

Pınar Children’s Theater was awarded by Çiğli Municipality and Direklerarası Children’s Theaters.



# CORPORATE MANAGEMENT PRACTICES AND FINANCIAL INFORMATION

# Board of Directors

## **E. Feyhan Yaşar**

### **Chairperson of the Board of Directors**

Feyhan Yaşar started her career in 1978 at DYO, a Yaşar Group company. She then served in the Yaşar Group as a manager in the fields of finance and management. After Selçuk Yaşar became Honorary President, she assumed the position of Chairperson of the Yaşar Holding Board of Directors from 2004-2009. Feyhan Yaşar, who served on the Board of Directors of Group companies for many years, assumed the position of Deputy Chairperson of Yaşar Holding from 2014 to 2021.

Feyhan Yaşar is the Chairperson of the Board of Directors of Yaşar Holding as of January 2022. She also serves on the Boards of Directors of Group companies. Active in numerous non-governmental organizations that support social development in the fields of education, culture, and the arts and sports, as well as business life, Yaşar is also the Chairperson of the Board of Directors of Yaşar Education and Culture Foundation, Chairperson of the Selçuk Yaşar Sports and Education Foundation's Board of Trustees, and Trustee Board Member of Yaşar University.

In addition to her business life, she served as a Member of the Board of Directors of TÜSİAD, Chairperson of the Beverage Industry Assembly of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and Chairperson of the Danish Business Council of DEİK, also participating in annual DAVOS meetings as a Member of the World Economic Forum (WEF). Currently, she is a Member of the

Executive Board of the United Arab Emirates Business Council of the Foreign Economic Relations Board (DEİK), a Member of the EBSO Assembly, a Member of the SEV Board of Trustees, a Member of the Board of Trustees of the Bosphorus University Foundation, a Member of TUSIAD, SETBİR and ESIAD, and a Member of the Board of Trustees of the Turkish Family Planning Foundation. Feyhan Yaşar, who has been providing personal support to the Teos Ancient City excavations in Seferihisar, İzmir, carried out by the Ministry of Culture and Tourism since 2011, has also been the Honorary Consul of Luxembourg since 2014. In May 2021, she was honored for her services by the Grand Duchy of Luxembourg with the "Order of the Oak Crown."

Feyhan Yaşar completed her undergraduate education at Boğaziçi University, Faculty of Administrative Sciences, Department of Business Administration, and completed her master's in the Department of Economics at Dokuz Eylül University. She speaks English and French.

## **İdil Yiğitbaşı**

### **Vice Chairperson of the Board of Directors**

İdil Yiğitbaşı graduated from the American Collegiate Institute in 1982 and completed her bachelor's in Business Administration at Boğaziçi University in 1982 and an MBA at Indiana University in 1989. İdil Yiğitbaşı, who started her career in Yaşar Group as an executive assistant in 1986, was an Assistant System and Financial Analysis Coordinator between 1990-1995, the Coordinator of Pınar Food Group in 1995, the Vice President of Pınar Food Group between 1997-2001, the Vice President responsible for Pınar Food Group's Milk and Dairy Products between 01 February 2001 and 31 January 2006, and a Member of the Board of Directors in various Group companies. She served as the Vice Chairperson of the Board of Directors of Yaşar Holding between 2003-2009 and as the Chairperson of the Board of Directors of Yaşar Holding between 2009-2015. İdil Yiğitbaşı has been the Vice Chairperson of the Board of Directors of Yaşar Holding and the Chairperson and member of the Board of Directors of Yaşar Group companies since April 2015. She is the Vice Chairperson of Selçuk Yaşar Sports and Education Foundation, a Member of the Board of Directors of Yaşar Education and Culture Foundation, a Member of the Board of Directors of the Aegean Region Chamber of Industry (EBSO) and İzmir Culture, Art and Education Foundation (İKSEV), Member of the Foreign Economic Relations Board of Turkey's (DEİK) UK Business Council Executive Board, Member of the Advisory Board of the Aegean Young Businessmen Association (EGİAD), Member of the Turkish Industry and Business Association (TÜSİAD), Member of the Turkish Dairy, Meat and Food Industrialists' and Producers' Association (SETBİR), Member of the Aegean Industry and Business Association (ESIAD), Member of the Family Businesses Association (TALDER), Member of the Advertisers Association (RVD) and Member of the Corporate Governance Association of Turkey (TKYD).

**Sezai Bekgöz****Independent Board Member**

After graduating from the Ankara University, Faculty of Political Sciences, Department of Economics, Bekgöz completed his postgraduate education at the Faculty of Economics of Istanbul University and received a PhD in banking from the Marmara University, Institute of Banking and Insurance. Between 1983 and 1992, he worked as an Auditor in the Capital Markets Board's Audit Department. He was the Head of the Inspection Board of Borsa İstanbul between 1992-1998 and Deputy President for Markets, Risk Management and Member Affairs between 1998-2007. Between 1997-2007, he was a Member of the Board of Directors of the Izmir Futures Exchange, Takasbank Settlement and Custody Bank, and Central Registry Agency. Between 2007 and 2016, he worked at Takasbank Settlement and Custody Bank as the Assistant General Manager Responsible for Domestic and International Clearing and Custody Operations, Foreign Relations and Member Affairs. Dr. Sezai Bekgöz continues to provide consultancy services in Türkiye and abroad and is an Independent Board Member. Mr. Bekgöz is an Independent Member according to CMB Corporate Governance Principles. Sezai Bekgöz serves on the boards of directors of several companies within the body of Yaşar Group.

**Nalan Erkarakaş****Independent Board Member**

Having graduated from the Department of Economics and Finance, Faculty of Political Sciences, Ankara University, Nalan Erkarakaş started her career as an Expert at the Capital Markets Board and completed the Capital Markets Certificate Program at the Wharton School, Philadelphia in the same period. Nalan Erkarakaş, who subsequently served as the Deputy Financial Coordinator of Çimentaş İzmir Çimento Fabrikası T.A.Ş., the Deputy General Manager of the Investment Banking Branch of Kentbank A.Ş., General Manager and Board Member of Kent Yatırım ve Menkul Değerler A.Ş., and Capital Markets Group Chair of the Ciner Group, also served as the Chairperson of the Board of Directors of Park Elektrik ve Madencilik San. ve Tic. A.Ş., and as a Board Member at Ciner Group companies operating in various industries. Having joined Grant Thornton Turkey as a Partner in 2018, Nalan Erkarakaş is an Independent Board Member at various publicly traded companies and TOBB Capital Markets Assembly Member, Member of the Stock Exchange Intermediary Institutions Managers' Association, Member of the Young Businessmen's Association of Turkey, the Chairperson of the Board of Directors of the Listed Partnership Managers Association (KOTEDER), and a Board Member at Sedefed Federation of Sectoral Associations. In addition, she is the Vice Chairperson of the Board of Directors of KORUNCUK Turkey Foundation for Children in Need of Protection and a Member of the Istanbul Branch of the Mülkiyeliler Association. Nalan Erkarakaş, whose articles and columns are published in various newspapers and magazines and whose research reports are published by the Capital Markets Board, was named Manager of the Year by GİYAD and Successful Businesswoman of the Year by the 'Dünya' Newspaper.

**Seçkin Şenol****Independent Board Member**

Seçkin Şenol graduated from the Business Administration Department, Faculty of Economics and Administrative Sciences, Dokuz Eylül University in 1985. Mr. Şenol started his professional career in the private sector in the Budget Control and Analysis Department in 1986 and served in various positions until 1998. He was appointed Manager of the Budget and Planning Department in 1997 and Budget Control and Analysis Coordinator of Yaşar Holding in 2003. In addition to his existing duties, he took part in the investment evaluation, performance evaluation, efficiency and sustainability committees, and various Group projects. Mr. Şenol worked as the Budget Control and Analysis Coordinator until 2017. He served as an Independent Board Member at Dyo Boya Fabrikaları San. ve Tic. A.Ş., Pınar Süt Mamulleri Sanayii A.Ş. and Pınar Entegre Et ve Un Sanayii A.Ş. Mr. Şenol holds a Certified Public Accountant (CPA) license and is also involved in various non-governmental organizations.

**Yılmaz Gökoğlu**  
**Board Member**

Having completed his primary, secondary, and high school education in Izmir, Yılmaz Gökoğlu graduated from the Department of Economics and Finance, Faculty of Political Sciences, Ankara University in 1977. From 1978 to 1982, he served as an Account Specialist at the Ministry of Finance. Yılmaz Gökoğlu, who left his position at the Ministry in 1983 and joined the Yaşar Group as Assistant Financial Affairs Coordinator, worked as Assistant General Manager of Financial Affairs at Dyosad A.Ş. between 1988-1990 and Assistant General Manager of Financial Affairs at Tuborg A.Ş. between 1990-1995. Gökoğlu served as Audit Coordinator and Financial Affairs and Subsidiaries Coordinator at Yaşar Holding from 1995, Vice President of Financial Affairs and Subsidiaries from July 2000, and Vice President of Audit, in addition to his current duties since April 2001. He was elected as a Member of the Board of Directors of Yaşar Holding in April 2007. She served as the Deputy Chairperson of the Board of Directors of Yaşar Holding between April 2009 and April 2014. Yılmaz Gökoğlu, who also serves as the General Secretary of the Boards of Directors at Yaşar Holding, is a Board Member and Committee Member in Group companies. He is also a member of the Administrative Committee of the Yaşar Education and Culture Foundation. He is a Member of the Chamber of Chartered Accountants, a Member of the Association of Account Specialists, a Member of the Mülkiyeliler Association, and a Member of the Assembly of the Aegean Region Chamber of Industry. Yılmaz Gökoğlu holds Independent Auditor and Certified Public Accountant licenses.

**Kemal Semerciler**  
**Board Member**

After graduating from the Faculty of Economics and Administrative Sciences, Uludağ University, Kemal Semerciler started his career as an assistant inspector at Yapı Kredi Bank in 1981 and worked as a manager in the Financial Control and Budget, General Accounting and Financial Affairs departments from 1990-2003. He served as the Head of the Inspection Board from 2004-2006. From 2006-2008, he served as the Deputy General Manager of the Legislation Department. He worked as the General Manager Advisor at Yapı Kredi Bank between 2008-2009. During his tenure at Yapı Kredi Bank, he served as a Member of the Board of Directors and as an Auditor in many subsidiaries of the bank. Between March 2010 and March 2016, he served as a Board Member at Alternatifbank. Kemal Semerciler currently provides consultancy on corporate governance, project finance, and financial restructuring. He serves on the Boards of Directors of Yaşar Holding as well as several companies within Yaşar Group.

In the Yaşar Group, of which the Company is also a member, it is possible that the members of the Board of Directors are also members of the Board of Directors in other Group companies, and various transactions between these companies can be evaluated within the scope of Article 395/1 of the TCC. However, the parties to the transactions in this scope are only Group companies, and necessary permissions are obtained at the General Assembly of each Company.



# RISK MANAGEMENT, INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

## RISK MANAGEMENT

The scope of Corporate Risk Management activities to be applied to companies within the Yaşar Group, as well as working procedures and principles, have been determined within the framework of the Regulation. In this context, under which framework the risk management activities should be carried out, duties and responsibilities related to risk management, processes, reports, trust procedures and risk management terminology have been established.

At the Company, "Corporate Risk Management" has started to be implemented as a systematic process in which risks are defined, analyzed, controlled, and monitored. This method has the power to minimize the costs arising from unexpected adverse events and their effects on the asset values of our Company.

### Risk Management Policy of the Company

The Company's Board of Directors adopts risk management strategies to minimize the effect and possibility of risks that may affect shareholders in the first place and all Company stakeholders. It ensures that the necessary actions are taken within this context.

### Activities of the Early Detection of Risk Committee

The Early Detection of Risk Committee carries out its activities to detect risks early on and to create an effective risk management system.

The Committee monitors corporate risk management activities to create a prioritized risk inventory within the framework of risk management policy and procedures, determines appropriate risk strategies, monitors the results by taking necessary actions, and provides necessary guidance.

### Future Risks on Sales, Productivity, Income Generating Capacity, Profitability, Debt / Equity Ratio and Similar Issues

Within the framework of the risk management policy and procedures adopted throughout the Group, efforts are made to create a risk inventory in terms of all Company activities and take necessary actions.

In this context:

- The risks that the Company is exposed to are prioritized

according to their impacts and possibilities after being grouped under strategic, operational, financial, external, and compliance main headings,

- Current controls for risks of high concern are reviewed in terms of their design and implementation, and the most appropriate strategies and actions are determined,
- Results of actions taken are monitored, and
- Results and possible developments are reported to the relevant units and evaluated.

## INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

Controls can be defined as all kinds of practices aimed at eliminating occurrences that may adversely affect the Company's achievement of its goals or to reduce their impact and possibility of occurrence. Standard definitions, policies and procedures, job descriptions, and authorization structures for business processes constitute the internal control mechanism. In this context, all control systems, including preventive/detecting and remedial systems, have been established by the management in order for the Company to carry out its business activities effectively and efficiently.

By means of the internal control systems established within the Company, the effectiveness and efficiency of operations, reliability of the financial reporting system, compliance with legal regulations, and assurance on these issues are targeted. These control mechanisms also protect the Company's assets, reputation, and profitability.

The Company's accounting system, public disclosure of financial information, independent audit, and oversight of the operation and efficiency of the partnership's internal control system are essentially carried out by the Audit Committee established by the Company's Board of Directors. While the Audit Committee fulfills the said function, the Audit Function of the Group makes use of the findings of the Independent Audit and Certified Public Accounting organizations.

Within the scope of internal audit activities, the effectiveness of the Company's existing risk management system and the adequacy, effectiveness, and efficiency of the internal control system are evaluated, and suggestions are made for its improvement. In addition, the determination and implementation processes of the necessary actions for the determinations and suggestions within this scope are closely followed.

# LEGAL DISCLOSURES

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## **Information on the Extraordinary General Assembly Meetings Held During the Year, if any**

The Ordinary General Meeting of the Company was held on 29 March 2023, and the decisions made were implemented. There was no Extraordinary General Assembly Meeting held in 2023.

## **Affiliated Company Report**

The conclusion part of the report prepared by the Board of Directors of our Company pursuant to Article 199 of the Turkish Commercial Code is as follows:

Per Article 199 of the Turkish Commercial Code numbered 6102, which entered into force on 01 July 2012, the Board of Directors of our Company, within the first three months of the current year of activity, is obliged to prepare a report on the relations of the Company with the controlling shareholder and affiliated companies of the controlling shareholder for the previous activity year, and is required to include the conclusion part of this report in its Annual Report.

Necessary explanations about the transactions made by the Company with the related parties are included in the footnotes to the financial statements. In this report prepared by the Board of Directors of the Company, in all transactions carried out with the controlling shareholder of the Company and the subsidiaries of the controlling partner in 2023, an appropriate counteraction in each transaction according to the state and conditions known to us at the time the transaction was made, or when the action was taken, or avoided being taken. There are no measures taken or avoided that may cause damage to the Company, and there is no action or measure that requires offsetting within this framework.

## **Grants and Donations**

Donations can be made to foundations established for various purposes and to such persons and/or institutions within the limits set by the regulations of the Capital Markets Board on the subject. In 2023, our company furnished donations and grants for a total of TRY 5,652,699 to various institutions and organizations.

## **Information Regarding Lawsuits Filed Against the Company That May Affect the Company's Financial Status and Activities and Possible Consequences of Such Lawsuits**

No lawsuit was filed against the Company in 2023.

## **Disclosures Regarding Administrative or Judicial Sanctions Imposed Against the Company and Members of the Management Body Due to Practices Deemed Contrary to the Legislative Provisions**

The administrative fine imposed on our Company by the Capital Markets Board during the year amounted to TRY 155,567 which the members of the Board of Directors paid.

## **Amendments Made to the Articles of Association during the Period**

There is no change in the Articles of Association.

## **Financial Benefits Furnished to Members of the Board of Directors and Senior Executives**

Financial benefits furnished to the Chairperson and Members of the Board of Directors are determined within the framework of the Remuneration Policy posted on our website. The total amount of wages and similar payments provided to the Members of the Board of Directors and senior executives in the twelve months ending on 31.12.2023 is TRY 46,240,225.

## **Disclosures Regarding Independent and Public Audit During the Fiscal Period**

In 2023, regular inspections were carried out by various public institutions; no significant notifications were officially made to us as a consequence.

## **Information on Conflicts of Interest between the Company and Providers of Consultancy and Rating Services within the Accounting Period**

No conflict of interest occurred with service providers in 2023.

## **Statement on Company Equity**

As of 31 December 2023, the equity level of TRY 4,669,169,234 and the issued capital of TRY 43,335,555 are excessively protected.

## **Voting Rights and Minority Interests**

The following privileges are available in nominating candidates for the Board of Directors in Article 7 of the Company's Articles of Association: Accordingly:

If the Board of Directors consists of 5 members, three members, if it consists of 7 members, four members are selected from among the candidates to be nominated by "A" group shareholders, and the other members from among

the candidates to be nominated by “B” group shareholders.

If the board of Directors decides, the Managing Member can be elected. However, the Chairperson of the Board of Directors and the Managing Director are determined from the members representing Group A.

There is a privilege regarding voting rights that is regulated in Article 19 of the Company’s Articles of Association. Group A shares were granted three votes each, and Group B shares one vote each.

Regarding the exercise of voting rights, there are no provisions in the Company’s Articles of Association that prevent a non-shareholder from voting by proxy as a representative. Article 22 of the Company’s Articles of Association, in which voting is regulated, is as follows:

“The votes to be used in the electronic General Assembly system are reserved, and the vote at the General Assembly meetings is held openly and by a raising of hands. However, it is necessary to apply secret voting upon the request of those who own one-tenth of the capital represented by the present shareholders at the meeting. In terms of votes used by proxy, compliance is made with the regulations of the Capital Market Board.”

There is no Company in which the Company is mutually affiliated.

### **Working Principles of the Board of Directors**

The working principles of the Board of Directors are regulated in Article 9 of the Company’s Articles of Association. Accordingly:

“The Board of Directors will convene as the business affairs of the Company requires it to do so. However, it must convene at least once a month. The Board of Directors convenes with the majority of the total number of members and makes decisions with the majority of the members present at the meeting.”

Details regarding the working principles of the Board of Directors and the 2023 fiscal year are as follows:

The Board of Directors convened 54 times during the activity period. Usually, all members attend the meetings. Damages to be inflicted on the company arising from the faults of the members of the board of directors during the execution of their duties are insured.

### **Number, Structure, and Independence of the Committees Established within the Board of Directors**

In our Company, the Audit Committee, the Corporate Governance Committee, and the Early Detection of Risk Committee have been established.

The duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee. While fulfilling their activities, the

Board of Directors Committees follow the working principles available on the Company’s website.

Mrs. Nalan Erkarakaş is the Chairperson of the Audit Committee, and Mr. Sezai Bekgöz is the Committee Member. Both members are non-executive, non-affiliated board members. Audit Committee meetings are held at least once every three months, at least four times a year.

Within the scope of the committee activities, information on the operations of the Company and internal control systems was obtained from the Company executives. In contrast, audit findings were collected from the independent auditors. The committee supervises the accounting system of the partnership, the disclosure of financial information to the public, and the functioning and efficiency of the independent audit and internal control system. In addition, it carries out the selection of the independent audit firm, the preparation of the independent audit contract and initiation of the independent audit process, and the observance of the work of the independent audit firm. It informs the Board of Directors of the truthfulness and accuracy of the annual and interim financial statements to be disclosed to the public.

Non-executive and non-affiliated board member Mr. Sezai Bekgöz is the Chairman of the Corporate Governance Committee, and the Committee members are the non-executive and non-affiliated board member Mrs. Nalan Erkarakaş, the non-executive board member Mr. Kemal Semerciler and the Investor Relations Department Manager Mr. Tolga Bağcı. Corporate Governance Committee meetings are held at least once every three months, at least four times a year. The Corporate Governance Committee determines whether the Corporate Governance Principles are applied in the Company, the reason if not, and the conflicts of interest that arise due to not fully complying with these principles. It also recommends that the Board of Directors take remedial measures. The Corporate Governance Committee oversees the work of the Investor Relations Department.

Within the scope of the duties of the Nomination Committee, the Corporate Governance Committee works on establishing a transparent system for determining, evaluating, training, and rewarding candidates suitable for the Board of Directors, as well as determining policies and strategies in this regard. In addition, it evaluates the candidate proposals for independent membership, including the management and shareholders, by considering whether the candidate meets the independence criteria and submits its evaluation to the Board of Directors for approval.

The Corporate Governance Committee determines the recommendations of the members of the Board of Directors and senior executives regarding the remuneration principles, taking into account the long-term goals of the company within the scope of the Remuneration Committee’s duties.

The Early Detection of Risk Committee is responsible for the early diagnosis of risks that may endanger the

existence, development, and continuation of the Company, taking necessary precautions regarding the detected risks and carrying out studies for proper management. The Committee Chairperson is non-executive and independent board member Mrs. Nalan Erkarakas; the Committee Members are non-executive and independent board members Mr. Sezai Bekgöz and non-executive board member Mr. Yılmaz Gökoğlu.

In the evaluation made by the Company's Board of Directors, all Company committees are established per the legislation, activities are carried out effectively within the framework of the working principles previously established and published on our Company's website, a sufficient number of meetings are held periodically during the year and as a result of these meetings, the Audit Committee ensures the supervision of the Company's accounting system and financial information and the effectiveness of its disclosure to the public, and regularly submits its findings, opinions and suggestions on this matter to the Company's Board of Directors. It has been evaluated that the Early Detection of Risk Committee has reviewed the effectiveness of internal control and risk management processes as well as the structure of early warning systems and identified the risks.

### **Strategic Objectives of the Company**

The Board of Directors establishes corporate strategies and targets in line with the Company's vision, growth, and profitability expectations. The principles that will guide the strategies above are determined by the senior management, and the degree of achievement of the targets, activities, and past performance are evaluated at monthly meetings.

### **Dividend Distribution Policy**

The Profit Distribution Policy of Pınar Et ve Un Sanayii A.Ş. for 2013 and the following years, which was prepared in line with Capital Market Legislation, was submitted for the approval of the Ordinary General Assembly of 2013 and disclosed to the public. The said information is available on the Company's corporate website.

([www.pinar.com.tr](http://www.pinar.com.tr)) can be accessed in Turkish and English on the investor relations page

# AGENDA

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## **AGENDA FOR THE ORDINARY GENERAL ASSEMBLY MEETING DATED MAY 31, 2024**

1. Opening and election of the Meeting Chair.
2. Authorization of the Meeting Chair to sign the General Assembly Meeting Minutes.
3. Reading, discussion, and approval of the 2023 Activity Report prepared by the Company's Board of Directors.
4. Reading and discussion of the Independent Audit Report for the 2023 accounting period.
5. Reading, discussion, and approval of the Financial Statements for the 2023 accounting period.
6. Ratification of the membership of the Board Member elected to fill the vacancy during the year.
7. Discharge of the Board Members due to the Company's activities in 2023.
8. Submission for approval by the general assembly of the selection of the Independent Audit Firm made by the Board of Directors in accordance with the Turkish Commercial Code and Capital Markets Board regulations.
9. Discussion and decision regarding the amendment of Article 6 titled „Registered Capital“ of the Company's Articles of Association, subject to obtaining the necessary approval from the Capital Markets Board and the Ministry of Commerce.
10. Determination of the number of Board Members and their terms of office, election based on the determined number of members, and selection of independent board members.
11. Determination of the remuneration, attendance fees, bonuses, and similar rights of the Board Members in accordance with Article 408 of the Turkish Commercial Code.
12. Providing information to shareholders regarding guarantees, pledges, mortgages, and sureties given in favor of third parties, along with the income and benefits derived from them, in accordance with Article 12 of the Capital Markets Board's Corporate Governance Communiqué II-171.
13. Providing information to shareholders about donations made during the year and submission of the donation limit determined under Capital Markets Legislation for the general assembly's approval.
14. Discussion and decision regarding the profit for the year.
15. Permission for the Board Members to carry out transactions in accordance with Articles 395 and 396 of the Turkish Commercial Code.
16. Wishes and opinions, closure.



# DECLARATION OF NON-AFFILIATION

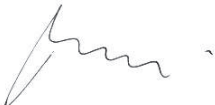
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As a non-affiliated candidate for the Board of Directors at PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. (the “Company”)

- There is no employment relationship in the managerial position that had undertaken important duties and responsibilities in the past five years, there is no joint or sole ownership of more than 5% of the capital or voting rights or preferred shares, no significant commercial relationship has been established between me, my spouse and my relatives up to the second degree by blood and marriage; with the Company, partnerships that possess or have a significant influence on the management control of the Company, and partners who possess or have a significant influence on the management control of the Company or legal entities over which these partners have management control,
- In the past five years, I have not been a shareholder (5% or more), employed in a managerial position to assume important duties and responsibilities, or a member of the board of directors of companies in which the Company purchases or sells services or products to a significant extent within the framework of agreements entered during the periods when services or products are purchased or sold. Nor have I partaken in the audit (including tax audit, legal audit, internal audit) in the first place, rating and consultation activities of the Company,
- I have the professional education, knowledge, and experience to fulfill the duties I will undertake due to being an independent board member,
- I am not working full-time in public institutions and organizations after being elected as a member, except as a university lecturer, provided that it is per the legislation I am bound with,
- I am deemed to be residing in Turkey according to Income Tax Law No. 193 dated 31/12/1960,
- I have strong ethical standards, professional reputation, and experience that can contribute positively to the activities of the Company, maintain my impartiality in conflicts of interest between the company and shareholders, and make decisions freely taking into account the rights of the stakeholders,
- I will be able to devote time to Company affairs to the extent that would enable me to follow the functioning of Company activities and fully fulfill the requirements of the tasks I have undertaken,
- I have not served as a member of the Company's Board of Directors for more than six years in total within the past ten years,
- I have not served as an independent board member in more than three of the companies controlled by the Company or its shareholders who have management control, and in more than five of the companies listed on the stock exchange in total,
- I have not been registered and declared in name as the legal person elected as a member of the Board of Directors, Hence, I am capable of fulfilling my duty as an independent member of the Company's Board of Directors.

Best Regards,

Sezai BEKGÖZ



## DECLARATION OF NON-AFFILIATION

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As a non-affiliated candidate for the Board of Directors at PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. (the “Company”)

- There is no employment relationship in the managerial position that had undertaken important duties and responsibilities in the past five years, there is no joint or sole ownership of more than 5% of the capital or voting rights or preferred shares, no significant commercial relationship has been established between me, my spouse and my relatives up to the second degree by blood and marriage; with the Company, partnerships that possess or have a significant influence on the management control of the Company, and partners who possess or have a significant influence on the management control of the Company or legal entities over which these partners have management control,
- In the past five years, I have not been a shareholder (5% or more), employed in a managerial position to assume important duties and responsibilities, or a member of the board of directors of companies in which the Company purchases or sells services or products to a significant extent within the framework of agreements entered during the periods when services or products are purchased or sold. Nor have I partaken in the audit (including tax audit, legal audit, internal audit) in the first place, rating and consultation activities of the Company,
- I have the professional education, knowledge, and experience to fulfill the duties I will undertake due to being an independent board member,
- I am not working full-time in public institutions and organizations after being elected as a member, except as a university lecturer, provided that it is per the legislation I am bound with,
- I am deemed to be residing in Turkey according to Income Tax Law No. 193 dated 31/12/1960,
- I have strong ethical standards, professional reputation, and experience that can contribute positively to the activities of the Company, maintain my impartiality in conflicts of interest between the company and shareholders, and make decisions freely taking into account the rights of the stakeholders,
- I will be able to devote time to Company affairs to the extent that would enable me to follow the functioning of Company activities and fully fulfill the requirements of the tasks I have undertaken,
- I have not served as a member of the Company's Board of Directors for more than six years in total within the past ten years,
- I have not served as an independent board member in more than three of the companies controlled by the Company or its shareholders who have management control, and in more than five of the companies listed on the stock exchange in total,
- I have not been registered and declared in name as the legal person elected as a member of the Board of Directors, Hence, I am capable of fulfilling my duty as an independent member of the Company's Board of Directors.

Best Regards,

Nalan ERKARAKAŞ



# DECLARATION OF NON-AFFILIATION

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As a non-affiliated candidate for the Board of Directors at PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. (the “Company”)

- There is no employment relationship in the managerial position that had undertaken important duties and responsibilities in the past five years, there is no joint or sole ownership of more than 5% of the capital or voting rights or preferred shares, no significant commercial relationship has been established between me, my spouse and my relatives up to the second degree by blood and marriage; with the Company, partnerships that possess or have a significant influence on the management control of the Company, and partners who possess or have a significant influence on the management control of the Company or legal entities over which these partners have management control,
- In the past five years, I have not been a shareholder (5% or more), employed in a managerial position to assume important duties and responsibilities, or a member of the board of directors of companies in which the Company purchases or sells services or products to a significant extent within the framework of agreements entered during the periods when services or products are purchased or sold. Nor have I partaken in the audit (including tax audit, legal audit, internal audit) in the first place, rating and consultation activities of the Company,
- I have the professional education, knowledge, and experience to fulfill the duties I will undertake due to being an independent board member,
- I am not working full-time in public institutions and organizations after being elected as a member, except as a university lecturer, provided that it is per the legislation I am bound with,
- I am deemed to be residing in Turkey according to Income Tax Law No. 193 dated 31/12/1960,
- I have strong ethical standards, professional reputation, and experience that can contribute positively to the activities of the Company, maintain my impartiality in conflicts of interest between the company and shareholders, and make decisions freely taking into account the rights of the stakeholders,
- I will be able to devote time to Company affairs to the extent that would enable me to follow the functioning of Company activities and fully fulfill the requirements of the tasks I have undertaken,
- I have not served as a member of the Company’s Board of Directors for more than six years in total within the past ten years,
- I have not served as an independent board member in more than three of the companies controlled by the Company or its shareholders who have management control, and in more than five of the companies listed on the stock exchange in total,
- I have not been registered and declared in name as the legal person elected as a member of the Board of Directors, Hence, I am capable of fulfilling my duty as an independent member of the Company’s Board of Directors.

Best Regards,

Seçkin ŞENOL



# PROPOSAL FOR DIVIDEND DISTRIBUTION

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At the Board of Directors meeting of our company held on May 9, 2024:

In calculating the net distributable profit for 2023, the provisions of the Turkish Commercial Code, Capital Markets Legislation, Corporate Tax Regulation, Income Tax Regulation, and other legal regulations, the provisions of our Company's Articles of Association regarding dividend distribution and our Dividend Distribution Policy have been taken into consideration. According to our Company's independently audited financial statements prepared per the Capital Markets Board's Communiqué II-14.1 and based on Turkish Accounting Standards, the net distributable profit for the period was calculated as TRY 479,372,761. Since this amount exceeds the legal limit, no General Legal Reserves were set aside from the net profit for the period of 2023.

Based on the calculated distributable profit and taking into consideration the donations amounting to TRY 4,479,518 made during the year in line with CMB regulations, it is proposed to distribute a First Dividend to the Shareholders amounting to TRY 96,770,456, corresponding to 20% of the distributable profit, to distribute a Second Dividend to the Shareholders amounting to TRY 299,944 (total net amount of the First and Second Dividends is TRY 87,363,360), to set aside General Legal Reserves amounting to TRY 9,490,365 and to set aside the entire remaining amount as Extraordinary Reserves, which together with the First Dividend amount will amount to 201.6% of our nominal issued capital (TRY 43,335,000) for the approval of the Ordinary General Assembly.

TRY 2.0160 net cash dividend payment shall be made for each share traded on the stock exchange with a nominal amount of TRY 1.

Kindly submitted for your information.

Kind Regards,

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.



# DIVIDEND DISTRIBUTION TABLE

1.	Paid-in / Issued Capital		43.335.000
2.	General Legal Reserve Fund (According to Legal Records)		730.631.688
If there is a privilege in profit distribution per the Articles of Association, information on the said privilege			
		<b>According to CMB</b>	<b>According to Legal Records (LR)</b>
3.	Term Profit	494,266,462	201,701,111
4.	Taxes (-)	(14,893,701)	(25,831,444))
5.	Net Profit For The Term (=)	479,372,761	175,869,666
6.	Previous Years' Losses (-)	0	0
7.	General Legal Reserve Fund (-)	0	0
8.	<b>NET DISTRIBUTABLE PERIOD PROFIT (=)</b>	<b>479,372,761</b>	<b>175,869,666</b>
9.	Donations Made During the Year (+)	4,479,518	
10.	Net Distributable Term Profit with Donations Added	<b>483,852,279</b>	<b>175,869,666</b>
11.	First Dividend to Partners		
	- Cash	96,770,456	96,770,456
	- Bonus		
	- Total	96,770,456	96,770,456
12.	Dividend Distributed to Privileged Shareholders		
13.	Other Dividend Distributed		
	- To the Members of the Board of Directors		
	- To Employees		
	- To Persons Other Than Shareholders		
14.	Dividend Distributed to Dividend Right Certificate Holders		
15.	Second Dividend to Shareholders	299,944	299,944
16.	General Legal Reserve Fund	9,490,365	9,490,365
17.	Status Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVE	372,811,996	69,308,901
20.	Other Resources Planned to be Distributed		
21.	General Legal Reserves Allocated for Other Resources Planned to be Distributed		

# DIVIDEND SHARE RATES TABLE

	GROUP	TOTAL DIVIDEND DISTRIBUTED		TOTAL DIVIDEND DISTRIBUTED/ NET DISTRIBUTABLE PERIOD PROFIT	DIVIDEND FOR SHARE WITH TRY 1 NOMINAL VALUE	
		CASH (TRY)	BONUS SHARE (TRY)	RATE (%)	AMOUNT(TRY)	RATE (%)
NET	There is no preferred share group in the profit.	87.363.360		18,22%	2,0160	201,60
	<b>TOTAL</b>	<b>87.363.360</b>		<b>18,22%</b>	<b>2,0160</b>	<b>201,60</b>

# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

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## STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES OF PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

**a)** PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. (The „Company“) complied with all mandatory articles of Corporate Governance Principles in the annex of Corporate Governance Communiqué numbered II-17.1 published by the Capital Markets Board (CMB) during the operating period that ended on December 31, 2023.

**b)** Our Company strives to comply fully with the non-compulsory principles of Corporate Governance Principles. The justifications on the basis of non-mandatory principles that have not been implemented are explained below; as of the current date, these issues are not considered to cause a significant conflict of interest.

The explanations to be made by our Company per Article 8 of the Corporate Governance Communiqué regarding the non-compulsory corporate governance principles that have not yet been complied with are presented below, per each principle:

**1.3.11** There is no clause in the Articles of Association of our Company regarding the participation of the beneficiaries and the media in the general assembly. Independent audit firm officials also attend our general assembly meetings, and our Company has not received any request from other beneficiaries or members of the media to participate.

**1.4.2** In accordance with Article 19 of the Articles of Association, Group A shares in the name of the holder were granted three votes, and Group B bearer shares were granted one vote.

**1.5.2** In line with general practices, rights have been granted to the minority within the framework of the provisions of general regulations. Within the context of our Company's capital structure and free float ratio, the practice is foreseen to continue as is at present.

**4.3.9** No policy has been established for the rate of female members on the Company's Board of Directors, but there are currently four female members on our Board of Directors.

**4.4.7** The members of the Board of Directors of our Company are not restricted from taking on other duties outside the Company, and the duties of the members of the Board of Directors outside the Company are presented to the shareholders by including them in the Annual Report.

**4.5.5** There are three Independent Members on the Board of Directors of our Company, and one member of the Board of Directors serves on more than one committee. The fact that the members of the Board of Directors serve on more than one committee increases the possibility of communication and cooperation between the committees.

**4.6.1** There is no performance evaluation system for the Board of Directors.

**4.6.5** In line with general practices, the remuneration of the Board Members and managers with administrative responsibilities are disclosed collectively in the Annual Report.

Our Company is not exposed to any conflict of interest due to not fully complying with the non-mandatory principles.

The 2023 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared in accordance with the CMB's Decision No. 2/49 dated 10.01.2019, are separately disclosed at the public and corporate website of the Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)). Related documents can also be accessed from our Company's Corporate Governance page found on the Public Disclosure Platform website (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1057-pinar-entegre-et-ve-un-sanayii-a-s>).

The Sustainability Principles Compliance Report, which was prepared in accordance with the format specified by the CMB's Communiqué on the Amendment of the Corporate Governance Communiqué (II-17.1) on October 2, 2020 (II-17.1.a) and the addition of Sustainability Principles and the Decision No. 34/977 dated June 23, 2022, is included in the Annual Report (pages 53-60) and is also disclosed to the public on our Company's corporate website ([www.kap.gov.tr](http://www.kap.gov.tr)). The relevant report can also be accessed from our Company's Corporate Governance page found on the Public Disclosure Platform website (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1057-pinar-entegre-et-ve-un-sanayii-a-s>).

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
<b>A. GENERAL PRINCIPLES</b>							
<b>A1. Strategy, Policy and Goals</b>							
A1.1.	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	✓				Yasar 2022 sustainability report covers the sustainability performance of 10 group companies between January 1 2022 and December 32, 2022. This report, which includes PINAR ET, has been prepared to share the approach, strategies, works and performance results in the field of sustainability with stakeholders.	Yasar 2022 Sustainability Report Sustainability Approach and Management (Pages 19-28) Risk Management (Pages 57-58) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A1.1.	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	✓				Company sets the targets and strategies within the framework of the Yasar Sustainability Policy and company's other policies.	Yasar 2022 Sustainability Report Sustainability Approach and Management (Pages 23-24) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et website <a href="https://eng.pinar.com.tr/aboutus/detail/Management-Systems-Policy/3258/3952/0">https://eng.pinar.com.tr/aboutus/detail/Management-Systems-Policy/3258/3952/0</a>
A1.2.	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	✓				Targets are set within the framework of ESG policies and reviewed quarterly. The goal is to achieve carbon neutrality by 2050.	Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
<b>A2. Implementation/Monitoring</b>							
A2.1.	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report Sustainability Management and Approach (Page 25) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A2.1.	The activities carried out within the scope of policies by the responsible committee and/ or unit have been reported to the Board of Directors at least once a year.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report Sustainability Approach and Management (Page 25) <a href="https://www.yasar.com.tr/tr/images/pdf/Yasar-2022-Surdurulebilirlik-Raporu.pdf">https://www.yasar.com.tr/tr/images/pdf/Yasar-2022-Surdurulebilirlik-Raporu.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A2.2.	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report Caring for Society (Pages 83-116) Caring for Environment (Pages 123-134) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A2.3.	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	✓				It is stated in the Yaşar 2022 Sustainability Report.	Yasar 2022 Sustainability Report (Pages 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
A2.4.	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 37-50, 66-67, 95) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
<b>A3. Reporting</b>							
A3.1.	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A3.2.	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report Compliance with UN Sustainable Development Goals (Pages 23-24) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
A3.3.	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	✓				Information on significant lawsuits filed against the company is included in the Legal Disclosures section of the Annual Report.	Pinar Et 2023 Annual Report Legal Disclosures (Pages 43-45)
<b>A4. Verification</b>							
A4.1.	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed			✓		Each year, corporate governance ratings are conducted by independent organizations based on corporate governance principles. Although sustainability efforts in environmental and social areas are monitored along with their resulting performance, no verification of the data is conducted by an independent third party.	Yaşar 2022 Sustainability Report Caring for Business (Page 52) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Senior Management (Page 7)
<b>B. ENVIRONMENTAL PRINCIPLES</b>							
B1.	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 91-93) Caring for Environment (Pages 123-134) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B2.	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report About the 2022 Sustainability Report (Pages 3-4) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)



# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

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	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
B4.	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report Sustainability Approach and Management (Page 25) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B5.	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report Caring for Environment (Page 123-134) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B7.	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report Caring for Business Partners (Pages 117-122) Caring for Environment (Pages 83-116) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33) Strong Collaboration with Suppliers (Page 19)
B8.	Whether the Company have been involved to environmental related organizations and nongovernmental organizations' policy making processes and collaborations with these organizations has been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report Stakeholder Dialogue (Pages 59-61) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B9.	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	✓				Pinar Et's greenhouse gas emissions, water footprint calculations, energy efficiency, and waste management efforts are included in the Yaşar 2022 Sustainability Report and the 2023 Pinar Et Annual Report. Scope 1 and Scope 2 calculations for greenhouse gas emissions are conducted, and work is ongoing to calculate Scope 3 emissions.	Yaşar 2022 Sustainability Report (Pages 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Concept of taking good care of the environment and environmental data <a href="https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf">https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf</a>
B10.	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report About the 2022 Sustainability Report (Pages 3-4) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B11.	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.			✓		It is stated in the Yaşar 2022 Sustainability Report and on the Pinar Et website.	Yaşar 2022 Sustainability Report (Pages 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Concept of taking good care of the environment and environmental data <a href="https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf">https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf</a>

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
B12.	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.			✓		Pinar Et sets its goals, tracks progress, and discloses its data to reduce its environmental impacts. Work is ongoing towards setting science-based targets. This information is also included in the 2023 Annual Reports.	Yasar 2022 Sustainability Report (Pages 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33) Concept of taking good care of the environment and environmental data <a href="https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf">https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf</a>
B13.	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	✓				They are stated in Yasar Holding Sustainability Reports and Pinar Et Annual Reports.	Caring for Environment (Pages 125-128) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B14.	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	✓				They are stated in Yasar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report (Pages 119, 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B14.	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.			✓		They are stated in Yasar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report Caring for Business Partners (Page 117-122) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33) Strong Collaboration with Suppliers (Page 19)
B15.	The environmental benefits/ gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	✓				They are stated in Yasar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report (Pages 119, 126, 129, 131) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B16.	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.			✓		It is stated in the Yasar 2022 Sustainability Report and on the Pinar Et website.	Yasar 2022 Sustainability Report Climate Change and Energy Management (Pages 126) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a> Concept of taking good care of the environment and environmental data <a href="https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf">https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf</a>
B17.	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	✓				Emission data is disclosed based on Scope 1 and Scope 2.	Yasar 2022 Sustainability Report Climate Change and Energy Management (Pages 126) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
B18.	The studies related to increase the use of renewable energy and transition to zero/ low carbon electricity have been conducted and disclosed.	✓				With an investment of \$1,100,000, the 1.5 MWe (1.77 MWp) solar power plant (GES), which was commissioned on March 20, 2023, covers approximately 10% of our total electricity consumption.  Since its commissioning, a total of 2,070.241 MWh has been produced.  As a result, 1,002 tCO2e of carbon emissions have been avoided. Additionally, our overall carbon footprint has decreased by 3.94%.	Yasar 2022 Sustainability Report (Pages 37-38) Climate Change and Energy Management (Pages 126) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B19.	The renewable energy production and usage data has been publicly disclosed.	✓				With an investment of \$1,100,000, the 1.5 MWe (1.77 MWp) solar power plant (GES), which was commissioned on March 20, 2023, covers approximately 10% of our total electricity consumption.  Since its commissioning, a total of 2,070.241 MWh has been produced.  As a result, 1,002 tCO2e of carbon emissions have been avoided. Additionally, our overall carbon footprint has decreased by 3.94%.	Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B20.	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	✓				They are stated in Yasar Holding Sustainability Reports and Pinar Et Annual Reports.	Yasar 2022 Sustainability Report Water and Wastewater Management (Page 129) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
B21.	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.		✓			It is stated in the Yasar 2022 Sustainability Report and on the Pinar Et website.	Yasar 2022 Sustainability Report Water and Wastewater Management (Page 129) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et - Environmental Stewardship Approach and Environmental Data <a href="https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf">https://eng.pinar.com.tr/images/pdf/Pinar-et-we-take-care-of-the-environment.pdf</a>
B22.	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		✓			The company is not included in any carbon pricing system.	
B23.	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.		✓			No carbon credits were utilized during the relevant reporting year.	
B24.	If carbon pricing is applied within the Company, the details have been disclosed.		✓				

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
B25.	The platforms where the Company discloses its environmental information have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.	Yaşar 2022 Sustainability Report About the 2022 Sustainability Report (Pages 3-4) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
C. SOCIAL PRINCIPLES							
C1. Human Rights and Employee Rights							
C1.1.	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 3-4, 25, 54-56, 70-78, 81-82) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report - Pınar Et Family (Pages 25-27)
C1.2.	Considering the effects of supply and value chain, fair workforce, improvement of labour standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as nondiscrimination) are included in its policy on employee rights.	✓				It is stated in Yaşar Holding Sustainability Reports, Pınar Et Annual Reports, and the Pınar Et Investor Relations website.	Yaşar 2022 Sustainability Report (Pages 70-78, 117-121) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Pınar Et Family (Pages 25-27) Sustainability Approach (Pages 28-33)  Pınar Et Investor Relationship Website – Yaşar Group Code of Business Ethics <a href="https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF">https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF</a>
C1.3.	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 44, 70-78) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Pınar Et Family (Pages 25-27)
C1.4.	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labour have been disclosed.	✓				It is stated in Yaşar Holding Sustainability Reports, Pınar Et Annual Reports, and the Pınar Et Investor Relations website.	Yaşar 2022 Sustainability Report (Pages 70-78) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Pınar Et Family (Pages 25-27)  Pınar Et Investor Relationship Website – Yaşar Group Code of Business Ethics <a href="https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF">https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF</a>
C1.5.	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/ life balance solutions and talent management are included in the employee rights policy.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 70-82) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Pınar Et Family (Pages 25-27)



# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

		Company Compliance Status					
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)
C1.5	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	✓				The Yaşar 2022 Sustainability Report covers the sustainability performance of 10 community companies between January 1, 2022, and December 31, 2022. This report, which includes Pinar Et, was prepared to share the approach, strategies, efforts, and performance results in the field of sustainability with stakeholders.	Yaşar 2022 Sustainability Report (Pages 54-56, 70-78) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27)  Pinar Et Investor Relationship Website - Yaşar Group Code of Business Ethics <a href="https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF">https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF</a>
C1.5.	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 70-82) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27)
C1.6.	The occupational health and safety policies have been established and disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 75-82) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27)
C1.6.	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 75-82, 140) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27)
C1.7.	The personal data protection and data security policies have been established and disclosed.	✓				It is stated in Pinar Et website.	Pinar Et Website <a href="https://eng.pinar.com.tr/aboutus/detail/About-Us/3219/1722/0">https://eng.pinar.com.tr/aboutus/detail/About-Us/3219/1722/0</a>
C1.8.	The ethics policy have been established and disclosed.	✓				It is stated in Yaşar Holding Sustainability Reports, Pinar Et Annual Reports, and the Pinar Et Investor Relations website.	Yaşar 2022 Sustainability Report (Pages 54-56) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27)  Pinar Et Investor Relationship Website - Yaşar Group Code of Business Ethics <a href="https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF">https://yatirim.pinar.com.tr/UserFiles/CODE_OF_BUSINESS_ETHICS.PDF</a>
C1.9.	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.			✓		The activities within the scope of social investment and social responsibility are included in the Yaşar 2023 Sustainability Report and the Pinar Et 2023 Annual Report.	Yaşar 2022 Sustainability Report Caring of Society (Pages 83-116) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Corporate Social Responsibility (Pages 34-36) Legal Disclosures (Pages 43-45)
C1.10.	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	✓				They are stated in Yaşar Holding Sustainability Reports and Pinar Et Annual Reports.	Yaşar 2022 Sustainability Report (Pages 36, 70, 77) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pinar Et 2023 Annual Report - Pinar Et Family (Pages 25-27) Sustainability Approach (Pages 28-33)

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORTING

Company Compliance Status						
	PRINCIPLES	Yes	No	Partial	Not Applicable	EXPLANATION
REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, MENU NAME ON THE WEBSITE)						
<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1.	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.  Yaşar 2022 Sustainability Report (Pages 94-95) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Pınar Et Consumers and Customers (Pages 22-24)
C2.2.	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	✓				It is stated in Yaşar Holding Sustainability Reports, Pınar Et Annual Reports, and the Pınar Et Investor Relations website.  Yaşar 2022 Sustainability Report Stakeholder Dialogue (Pages 59-61) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et Investor Relations Website Corporate Governance - Disclosure Policy <a href="http://yatirim.pinaret.com.tr/UserFiles/2024/PETUN%20-%20DISCLOSURE%20POLICY.pdf">http://yatirim.pinaret.com.tr/UserFiles/2024/PETUN%20-%20DISCLOSURE%20POLICY.pdf</a>
C2.3.	The international reporting standards that adopted in reporting have been explained.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.  Yaşar 2022 Sustainability Report (Pages 3-4,36, 142-149) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
C2.4.	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.  Yaşar 2022 Sustainability Report About the 2022 Sustainability Report (Pages 3-4) About Yaşar Group (Pages 9-10) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report Sustainability Approach (Pages 28-33)
C2.5.	The improvements have been made and studies have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index providers.	✓				The shares of Yaşar Holding subsidiaries, Pınar Süt, Pınar Et, Pınar Su ve İçecek, Dyo Boya, Viking Kağıt, and Altın Yunus Çeşme, are traded on Borsa İstanbul. In terms of sustainability, data entry has been completed for evaluation under the Borsa İstanbul Sustainability Index.
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>						
D1.	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	✓				It is stated in the Yaşar 2022 Sustainability Report.  Yaşar 2022 Sustainability Report Sustainability Approach and Management (Pages 19-28) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>
D2.	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	✓				They are stated in Yaşar Holding Sustainability Reports and Pınar Et Annual Reports.  Yaşar 2022 Sustainability Report (Pages 83-116) <a href="https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf">https://yasar.com.tr/en/images/pdf/Yasar_2022_Sustainability_Report.pdf</a>  Pınar Et 2023 Annual Report - Corporate Social Responsibility (Pages 34-36)

# STATEMENT OF RESPONSIBILITY

## STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NO II-14.1 OF THE CAPITAL MARKETS BOARD

In accordance with CMB regulations, we declare that Statement of Financial Position and its footnotes, Comprehensive Income Statement, Cash Flow Statement and the Statement of Equity Changes of the Annual Report of the Board of Directors prepared in compliance with Türkiye Accounting Standards/Türkiye Financial Reporting Standards (IAS/IFRS) and the format specified by the CMB per the “Communiqué On Principles of Financial Reporting In Capital Markets” (Communiqué) no. II-14.1 and Resolution dated 28.12.2023 on the application of inflation accounting of the Capital Markets Board (CMB) for the accounting period of 01.01.2023 - 31.12.2023 adopted by Board decision no. 2024/18 and dated 08.05.2024 of Pinar Entegre Et ve Un Sanayii A.Ş. prepared by our Company, which have been independently audited,

1. That our Company examined them,
2. Within the framework of the information that we have in our field of duty and responsibility of our Company, they contain no false statements on important matters or any deficiencies that may be consequentially misleading as of the date of disclosure,
3. That within the framework of the information we have in our field of duty and responsibility of our Company, our financial statements prepared per the Communiqué honestly reflect the truth about the assets, liabilities, financial situation, and profit and loss of the enterprise, and that our Annual Report honestly reflects the development and performance of the business and the financial situation of the enterprise, together with the significant risks and uncertainties faced,

We have reviewed the Corporate Governance Compliance Report (“URF”) and the Corporate Governance Information Form (“KYBF”) prepared for the fiscal period of 01.01.2023 - 31.12.2023 within the framework of the CMB’s decision dated 10.01.2019 and no. 2/49, and that the said reports were prepared in accordance with the procedures and principles determined in the resolution referred to in the CMB’s Corporate Governance Communiqué no. II-17.1 in line with CMB regulations.

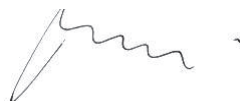

Respectfully yours,

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

Nalan ERKARAŞ  
Chairperson of the Audit Committee

Sezai BEKGÖZ  
Member of the Audit Committee

Hüseyin DEMİR  
General Manager



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

**FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2023  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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





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**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY  
PREPARED AND ISSUED IN TURKISH TO ENGLISH**

To the Shareholders of Pınar Entegre Et ve Un Sanayii Anonim Şirketi

**A) Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Pınar Entegre Et ve Un Sanayii Anonim Şirketi (“the Company”) as at 31 December 2023, the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

*Basis for Opinion*

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board (“CMB”) regulations, published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA (*including Independence Standards*) (“POA’s Code of Ethics”) and the ethical principles regarding independent audit of financial statements in the CMB legislation and other relevant legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### *Key Audit Matters*

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

#### Revenue recognition

Refer to notes 2.6 and 21 to the financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for revenue recognition.

<b><u>The key audit matter</u></b>	<b><u>How the matter was addressed in our audit</u></b>
<p>The main activity of the company is to produce meat and by-products of large and small cattle, poultry and fish, as well as frozen dough products and ready-made meals. The Company's revenue consists of domestic and foreign sales, and revenue is recorded as soon as performance obligations regarding product sales are fulfilled.</p> <p>Company has TL 4.949.210.474 revenue as of 31 December 2023.</p> <p>The recognition of revenue in the period when the product is sold is related to the sales contract of the product and depends on the proper evaluation of the control over the terms of the contract.</p> <p>The revenue recognition was identified as one of the key audit matters, as there may be a risk of improper revenue recognition in the incorrect accounting period and with an incorrect amount since it requires management judgement.</p>	<p>We have performed the following audit procedures to be responsive to this area:</p> <ul style="list-style-type: none"><li>- Inspecting the journal entries posted by the Company regarding the revenue within the reporting period.</li><li>- With the help of our Information Systems experts, the design, implementation and operational effectiveness of the controls related to the revenue process were tested.</li><li>- It was examined whether control was transferred to the customer through the sales documents received for the sales transactions selected with the sample, and the test for the existence of revenue was carried out.</li><li>- Obtaining confirmation letters for trade receivables on a sample basis and the reconciliation of trade receivable balances with the financial statements was checked.</li><li>- In addition, assessing the appropriateness and adequacy of the disclosures in the financial statements of the Company with the disclosures required in accordance with TFRS.</li></ul>



**Application of Hyperinflationary Accounting**

Refer to Note 2.6 to the financial statements for summary of significant accounting policies Application of Hyperinflationary Accounting.

<b><u>The key audit matter</u></b>	<b><u>How the matter was addressed in our audit</u></b>
<p>In accordance with the "TAS 29 Financial Reporting in High Inflation Economies" standard, the accompanying financial statements and footnotes have been restated to reflect the changes in the general purchasing power of the Turkish Lira and as a result, they are presented in terms of the purchasing power of the Turkish Lira as of the reporting date.</p> <p>Considering the significant and pervasive impact on the Company's financial information, we identified the application of TAS 29 as a key audit matter.</p>	<p>We performed the following audit procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"><li>- We inquired with the Company Management and examined the principles taken into account during the implementation of TAS 29 and the determination of non-monetary accounts,</li><li>- The dates and indices used have been tested to ensure the completeness and accuracy of the calculations,</li><li>- The financial statements and explanatory footnotes related to the financial statements prepared in accordance with TAS 29 have been checked,</li><li>- The adequacy and suitability of the information provided in the financial statements where inflation accounting has been applied and in the relevant disclosure explanations will be evaluated in terms of TAS 29.</li></ul>

***Other Matter***

*The Company's financial statements for the accounting period ending on 31 December 2022 were audited by another independent auditor and a unqualified opinion was given on these financial statements on 1 March 2023.*

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

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

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

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



### *Auditor's Responsibilities for the Audit of the Financial Statements*

Responsibilities of auditors in an audit are as follows:

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

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

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



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

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

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

#### **B) Other Legal and Regulatory Requirements**

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 3 May 2024.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January -31 December 2023, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

#### **ORIGINALLY SIGNED IN TURKISH**

Ahmet Hamdi Cura, SMMM  
Engagement Partner  
8 May 2024  
İzmir, Türkiye



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

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023**

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# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	54.457.411	92.623.511
Trade receivables		713.865.489	635.172.079
- Trade receivables from related parties	5	557.714.089	517.046.263
- Trade receivables from third parties	6	156.151.400	118.125.816
Other receivables		143.572.563	301.598.389
- Other receivables from related parties	5	109.343.730	207.349.911
- Other receivables from third parties		34.228.833	94.248.478
Inventories	8	446.340.401	450.244.586
Biological assets	9	168.092.556	228.083.627
Current income tax assets	28	-	7.967.332
Prepaid expenses		13.118.686	18.166.595
- Prepaid expenses to third parties	10	13.118.686	18.166.595
Other current assets		26.290.055	34.061.716
- Other current assets from third parties	19	26.290.055	34.061.716
<b>TOTAL CURRENT ASSETS</b>		<b>1.565.737.161</b>	<b>1.767.917.835</b>
<b>Non-Current Assets</b>			
Financial investments	32	14.396.057	19.780.383
Investments in associates accounted for using equity method	3	1.213.378.889	1.267.792.684
Investment property	13	186.210.000	133.993.337
Property, plant and equipment	11	3.631.930.388	3.625.474.511
- Land		2.240.842.736	2.240.842.736
- Land improvements		67.891.066	64.489.700
- Buildings		499.128.277	511.503.245
- Machinery and equipment		738.332.542	752.201.868
- Vehicles		5.908.914	5.031.615
- Furniture and fixtures		41.327.745	43.513.094
- Construction-in-progress		38.499.108	7.892.253
Right of use assets		36.578.001	12.063.517
Intangible assets		25.336.653	11.128.346
- Other intangible assets	12	25.336.653	11.128.346
Prepaid expenses		4.606.755	5.479.794
- Prepaid expenses to third parties	10	4.606.755	5.479.794
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5.112.436.743</b>	<b>5.075.712.572</b>
<b>TOTAL ASSETS</b>		<b>6.678.173.904</b>	<b>6.843.630.407</b>

These financial statements at 1 January - 31 December 2023 and for the year then ended were approved for issue by the Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş. on 8 May 2024. 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.****STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short-term borrowings		480.086.145	577.708.354
- Short-term borrowings to third parties		480.086.145	577.708.354
- Bank borrowings	15	480.086.145	577.708.354
Short-term portion of long-term borrowings			
- Short-term portion of long-term borrowings from third parties		31.545.111	36.581.185
- Bank borrowings	15	22.388.608	34.479.490
- Borrowings from lease liabilities	15	9.156.503	2.101.695
Other financial liabilities	15	38.152.042	47.980.223
- Other miscellaneous financial liabilities		38.152.042	47.980.223
Trade payables		758.313.708	614.115.377
- Trade payables due to related parties	5	160.776.470	126.056.320
- Trade payables due to third parties	6	597.537.238	488.059.057
Payables related to employee benefits	17	10.154.489	9.095.020
Other payables		26.787.257	101.864.775
- Other payables due to related parties	5	5.077.011	1.807.577
- Other payables due to third parties	7	21.710.246	100.057.198
Deferred income		1.576.696	1.967.494
- Deferred income from third parties	10	1.576.696	1.967.494
Current tax liabilities	28	4.253.270	--
Short-term provisions		20.956.907	28.925.856
- Short-term provision for employee benefits	17	1.020.947	2.759.775
- Other short-term provisions	16	19.935.960	26.166.081
Other current liabilities		157.164	19.393
- Other current liabilities due to third parties	19	157.164	19.393
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>1.371.982.789</b>	<b>1.418.257.677</b>
<b>Long-Term Liabilities</b>			
Long-term borrowings	15	23.620.127	33.805.137
- Long-term borrowing due to third parties		23.620.127	33.805.137
- Bank borrowings	15	8.228.613	30.143.662
- Borrowings from lease liabilities	15	15.391.514	3.661.475
Long-term provisions		140.623.780	237.871.160
- Long-term provisions for employee termination benefits	17	140.623.780	237.871.160
Deferred income tax liabilities	28	472.777.974	363.011.538
<b>TOTAL LONG - TERM LIABILITIES</b>		<b>637.021.881</b>	<b>634.687.835</b>
<b>TOTAL LIABILITIES</b>		<b>2.009.004.670</b>	<b>2.052.945.512</b>

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent company</b>		<b>4.669.169.234</b>	<b>4.790.684.895</b>
Share capital	20	43.335.000	43.335.000
Adjustment to share capital	20	1.269.540.672	1.269.540.672
Other accumulated comprehensive income/ (loss)			
that will not be reclassified to profit/ (loss)		1.189.131.493	1.564.765.297
- Gains (losses) on revaluation and remeasurement		1.091.550.938	1.217.604.151
Increases (decreases) on			
revaluation of property, plant and equipment		1.218.000.024	1.347.197.335
- Actuarial loss arising from defined benefit plans		(126.449.086)	(129.593.184)
- Share of other comprehensive income			
of investments in associates accounted for			
using equity method that will not be			
reclassified to profit/ (loss)		95.285.907	339.337.983
- Revaluation or classification earnings			
of assets at fair value through			
other comprehensive income	32	2.294.648	7.823.163
Other accumulated comprehensive income			
that will be reclassified to profit/ (loss)		23.174.516	22.717.130
- Share of other comprehensive income			
of investments in associates accounted for			
using equity method that will be reclassified to profit/ (loss)		23.174.516	22.717.130
Restricted reserves		480.193.857	457.567.632
- Legal reserves	20	480.193.857	457.567.632
Retained earnings		1.184.420.935	1.096.819.114
Net profit for the year		479.372.761	335.940.050
<b>TOTAL EQUITY</b>		<b>4.669.169.234</b>	<b>4.790.684.895</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6.678.173.904</b>	<b>6.843.630.407</b>

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED AT 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January- 31 December 2022
<b>PROFIT OR LOSS</b>			
Revenue	21	4.949.210.474	4.041.828.629
Cost of sales	21	(4.360.326.926)	(3.527.751.384)
<b>Gross profit from trading operations</b>		<b>588.883.548</b>	<b>514.077.245</b>
Change in fair value of biological assets	9	(90.408.749)	(59.529.552)
<b>Gross profit</b>		<b>498.474.799</b>	<b>454.547.693</b>
General administrative expenses	22	(169.631.095)	(121.873.371)
Marketing expenses	22	(262.042.018)	(237.880.908)
Research and development expenses	22	(25.367.107)	(16.977.521)
Other income from operating activities	23	60.202.616	44.271.411
Other expense from operating activities	23	(69.517.324)	(42.999.765)
<b>OPERATING PROFIT</b>		<b>32.119.871</b>	<b>79.087.539</b>
Income from investment activities	24	53.398.295	49.473.113
Expense from investment activities	24	(489.977)	(6.054.776)
Share of results of investment-in-associates	3	251.538.418	180.564.226
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>336.566.607</b>	<b>303.070.102</b>
Net Monetary gain/loss		328.289.370	198.113.635
Financial income	26	49.537.055	37.210.560
Financial expense	26	(220.126.570)	(150.632.883)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>494.266.462</b>	<b>387.761.414</b>
Tax expense of continuing operations		(14.893.701)	(51.821.364)
- Current period tax expense	28	(32.258.723)	(43.875.891)
- Deferred tax income/ (expense)	28	17.365.022	(7.945.473)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>479.372.761</b>	<b>335.940.050</b>
<b>PROFIT FOR THE YEAR</b>		<b>479.372.761</b>	<b>335.940.050</b>
<b>Earnings per share</b>		<b>11,0620</b>	<b>7,7522</b>
Earnings per Kr 1 number of 100 shares from continuing operations	29	11,0620	7,7522

The accompanying notes are an integral part of these financial statements



**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED AT 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

	Notes	1 January- 31 December 2023	1 January - 31 December 2022
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>			
<b>Other comprehensive income/ (expense) that will not be reclassified to profit or loss:</b>		<b>(372.183.397)</b>	<b>1.507.137.812</b>
Gains on revaluation of property, plant and equipment	11	-	1.516.495.199
Losses on remeasurements of defined benefit plans	17	4.192.131	(161.991.479)
Share of other comprehensive income of associates accounted for using equity method that will not be reclassified to profit or loss		(5.528.515)	7.823.163
Revaluation increases of property, plant and equipment of associates accounted for using equity method	3	(244.052.076)	281.710.498
-Losses on remeasurements of defined benefit plans of associates accounted for using equity method	3	(244.052.076)	281.710.498
Taxes relating to other comprehensive income that will not be reclassified to profit or loss		(126.794.937)	(136.899.569)
- Gains on revaluation of property, plant and equipment, tax effect		(125.746.904)	(169.297.864)
- Losses on remeasurements of defined benefit plans, tax effect	28	(1.048.033)	32.398.295
<b>Other Comprehensive Income that will be reclassified to Profit or Loss:</b>		<b>457.386</b>	<b>23.671.076</b>
- Gains on foreign currency translation differences of associates accounted for using equity method	3	457.386	23.671.076
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>		<b>(371.726.011)</b>	<b>1.530.808.888</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>107.646.750</b>	<b>1.866.748.938</b>

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

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

					Other Comprehensive Income/(Expense) to be Reclassified in Profit or Loss	Other Comprehensive Income/(Expense) to be Reclassified in Profit or Loss					
	Share Capital	Adjustment to Share Capital	Gain (Losses) on Revaluation of Property, Plant and Equipment	Gain (Losses) on Remeasurements of Defined Benefits Plans	Revaluation or Classifications Earnings of Assets at Fair Value Through Other Comprehensive Income	Share of Other Comprehensive Income of Associates Accounted for Using Equity Method that will not be Reclassified to Profit or Loss	Share of Other Comprehensive Income of Associates Accounted for Using Equity Method that will be Reclassified to Profit or Loss	Restricted Reserves	Retained Earnings	Profit for the Year	Total Equity
<b>1 January 2022</b>	<b>43.335.000</b>	<b>1.269.540.672</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.627.485</b>	<b>-</b>	<b>444.389.002</b>	<b>1.246.687.174</b>	<b>-</b>	<b>3.061.579.333</b>
Transfers	-	-	-	-	-	-	-	13.178.630	(13.178.630)	-	-
Dividends (Note 5.ii.h)	-	-	-	-	-	-	-	-	(136.689.430)	-	(136.689.430)
Total comprehensive income (expense)	-	-	1.347.197.335	(129.593.184)	7.823.163	281.710.498	23.671.076	-	-	335.940.050	1.866.748.938
- Net profit for the year	-	-	-	-	-	-	-	-	-	335.940.050	335.940.050
Other comprehensive income (expense)	-	-	1.347.197.335	(129.593.184)	7.823.163	281.710.498	23.671.076	-	-	-	1.530.808.888
(Decrease)/ Increase due to other changes profit shares	-	-	-	-	-	-	(953.946)	-	-	-	(953.946)
<b>31 December 2022</b>	<b>43.335.000</b>	<b>1.269.540.672</b>	<b>1.347.197.335</b>	<b>(129.593.184)</b>	<b>7.823.163</b>	<b>339.337.983</b>	<b>22.717.130</b>	<b>457.567.632</b>	<b>1.096.819.114</b>	<b>335.940.050</b>	<b>4.790.684.895</b>
<b>1 January 2023</b>	<b>43.335.000</b>	<b>1.269.540.672</b>	<b>1.347.197.335</b>	<b>(129.593.184)</b>	<b>7.823.163</b>	<b>339.337.983</b>	<b>22.717.130</b>	<b>457.567.632</b>	<b>1.096.819.114</b>	<b>335.940.050</b>	<b>4.790.684.895</b>
Transfers	-	-	(3.450.407)	-	-	-	-	22.626.225	316.764.232	(335.940.050)	-
Dividends (Note 5.ii.h)	-	-	-	-	-	-	-	-	(229.162.411)	-	(229.162.411)
Total comprehensive income (expense)	-	-	(125.746.904)	3.144.098	(5.528.515)	(244.052.076)	457.386	-	-	479.372.761	107.646.750
- Net profit for the year	-	-	-	-	-	-	-	-	-	479.372.761	479.372.761
Other comprehensive income (expense)	-	-	(125.746.904)	3.144.098	(5.528.515)	(244.052.076)	457.386	-	-	-	(371.726.011)
<b>31 December 2023</b>	<b>43.335.000</b>	<b>1.269.540.672</b>	<b>1.218.000.024</b>	<b>(126.449.086)</b>	<b>2.294.648</b>	<b>95.285.907</b>	<b>23.174.516</b>	<b>480.193.857</b>	<b>1.184.420.935</b>	<b>479.372.761</b>	<b>4.669.169.234</b>

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		<b>100.782.709</b>	<b>(417.916.447)</b>
<b>Profit for the Year</b>		<b>479.372.761</b>	<b>335.940.050</b>
<b>Profit for the Year from Continuing Activities</b>		<b>479.372.761</b>	<b>335.940.050</b>
<b>Adjustments Related to Reconciliation of</b>		<b>(332.051.135)</b>	<b>(316.951.670)</b>
<b>Net Profit for the Year:</b>			
Adjustments for tax expense	8	14.893.701	51.821.364
Adjustments for depreciation and amortization	11,12	128.980.804	105.127.487
Adjustments for interest expense and interest income		113.083.670	29.356.101
- Adjustments for interest income	23,24,26	(50.639.246)	(6.334.669)
- Adjustments for interest expense	23,26	163.722.916	35.690.770
Adjustments for provisions		(67.143.453)	(89.977.470)
- Adjustments for provisions related with employee benefits	22,26	(67.387.646)	(89.977.470)
- Adjustments related to provisions (reversal) for lawsuits and/or penalty	16	244.193	-
Adjustments for profit shares (income) expense		(27.740)	(24.421)
Adjustments for undistributed profits of investments			
Accounted for using methods		(251.538.418)	(180.564.226)
- Adjustments for undistributed profits of associates	3	(251.538.418)	(180.564.226)
Adjustments for fair value losses (gains)		(55.426.517)	(49.268.818)
- Fair value of investment property	13,24	(52.170.220)	(49.220.301)
Revisions on losses (gains)			
- Adjustments for fair value losses (gains) of biological assets or agricultural products	9	(3.256.297)	(48.517)
Adjustments for fair value loss (reversal)		125.746.904	2.801.052
- Adjustments for decrease in fair value of receivables		-	(44.104)
- Adjustments for tangible fixed asset impairments		125.746.904	2.845.156
Adjustments for losses (gains) arises from sale of fixed assets		(710.358)	(236.172)
- Adjustments for losses (gains) arises from sale of tangible assets	24	(710.358)	(236.172)
Adjustments for net monetary gain/loss		(326.822.681)	(180.865.812)
Adjustments for unrealized foreign currency translation differences		(13.087.047)	(5.120.755)
<b>Changes in Working Capital:</b>		<b>47.251.952</b>	<b>(377.125.357)</b>
Adjustments related to (increase)/ decrease in trade receivables		(49.729.744)	(61.522.706)
- (Increase)/ decrease in trade receivables from related parties	5	(18.045.263)	(61.258.425)
- Increase in trade receivables from non-related parties		(31.684.481)	(264.281)
Adjustments related to decrease/ (increase) in inventories		3.904.184	(104.812.959)
Decrease/(increase) in biological assets		(33.771.525)	(146.821.246)
Adjustments related to decrease/ (increase) in other receivables		60.019.645	(94.062.437)
Decrease/ (increase) in other receivables related with operations from non-related parties		60.019.645	(94.062.437)
(Increase)/ decrease in prepaid expenses		5.047.909	(5.995.060)
Adjustments for (decrease)/ increase in trade payables		138.474.164	(15.623.180)
- (Decrease)/ increase in trade payables to related parties	5	34.720.150	25.048.841
- Increase in trade payables to non-related parties		103.754.014	(40.672.021)
Increase/ (decrease) in payables related to employee benefits		798.424	(5.864.406)
Increase/ (decrease) in deferred income		(390.798)	1.091.405
Other adjustments for other increase in working capital		(77.100.307)	56.485.232
- Increase in other assets related with operations		7.771.661	(25.099.153)
- Increase in other liabilities related with operations		(84.871.968)	81.584.385
<b>Cash Flows from Operations</b>		<b>194.573.578</b>	<b>(358.136.977)</b>
Payments related with provisions for employee benefits		(73.752.748)	(11.784.122)
Income taxes (paid) refund		(20.038.121)	(47.995.348)

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>6.543.313</b>	<b>52.075.157</b>
Dividens Received	5	38.747.591	27.566.759
Collections/ (paybacks) from cash advances and loans		98.006.181	107.379.745
- Collections/ (paybacks) from cash advances and loans made to related parties		98.006.181	107.379.745
Cash advances and Loans		873.039	(2.578.977)
- Cash advances and loans made to other parties		873.039	(2.578.977)
Cash outflows due to purchase of fixed assets		(128.723.559)	(75.664.679)
- Cash outflows due to purchase of tangible assets	11	(108.649.236)	(70.695.500)
- Cash outflows due to purchase of intangible assets	12	(20.074.322)	(4.969.179)
Yatırım amaçlı gayrimenkul alımından kaynaklanan nakit çıkışları		(46.444)	(652.801)
Cash inflows from sales of fixed assets		934.960	236.172
- Cash inflows from sales of tangible assets		934.960	236.172
Cash outflows due to share sale or capital reduction of affiliates and/or joint ventures		(3.172.187)	(4.090.639)
Other cash outflows		(76.269)	(120.423)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(145.786.645)</b>	<b>339.553.552</b>
Cash inflows from financial borrowings		1.081.161.843	1.072.210.874
- Cash inflows from loans	15	1.090.990.024	1.062.525.819
- Cash inflows from other financial liabilities		(9.828.181)	9.685.055
Cash outflows from payments		(980.561.961)	(674.221.769)
- Cash outflows for loan repayments	15	(980.561.961)	(674.221.769)
Payments of lease liabilities		(8.840.986)	(1.415.658)
Interest received		50.639.252	6.334.669
Interest paid		(135.672.320)	(1.913.444)
Dividends paid		(152.512.473)	(61.441.120)
<b>Net Increase in Cash and Cash Equivalents Before Effect of Foreign Currency Translation Differences</b>		<b>(38.460.623)</b>	<b>(26.287.738)</b>
<b>EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>294.523</b>	<b>2.056.804</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(38.166.100)</b>	<b>(24.230.934)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>92.623.511</b>	<b>116.854.445</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>54.457.411</b>	<b>92.623.511</b>

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 YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

### 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 71% (2022: 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).

The Company's 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 2023 54% shares of the Company (31 December 2022: 54%) (Note 20).

The average number of personnel is 861 as of 31 December 2023 (31 December 2022: 928 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 of Financial Statements

##### *(i) Declaration of compliance with Turkish Financial Reporting Standards ("TFRS")*

The accompanying financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") in accordance with the provisions of the "Communiqué on Principles Regarding Financial Reporting in Capital Markets" numbered II-14.1 published in the Official Gazette dated June 13, 2013 and numbered 28676 of the CMB. TFRSs include the Standards and Comments published by KGK under the names of Turkish Accounting Standards ("TMS"), Turkish Financial Reporting Standards, TMS Comments and TFRS Comments.

The financial statements are presented in accordance with the 'Announcement on TAS Taxonomy' issued by the POAASA on 15 April 2019 and the formats specified in the Financial Statement Examples and Usage Guidelines issued by CMB.

The financial statements were approved by the Company's Board of Directors on 8 May 2024. The Company's General Assembly has the right to amend these financial statements, and the relevant regulatory authorities have the right to request their amendment.

##### *(ii) Principles of measurement*

These financial statements have been prepared in accordance with the "IAS 29 Financial Reporting in Hyperinflationary Economies" standard, in accordance with the historical cost principle adjusted for the effects of inflation on the Turkish Lira at the reporting date, except for monetary assets and liabilities and property, plant and equipment measured at fair value, such as land and plots, buildings, underground and surface improvements, machinery, facilities and equipment, and investment properties and financial investments.

##### *(iii) Functional and reporting currency*

These financial statements are presented in Turkish Lira ("TL"), which is the Company's functional currency. All financial information presented in TL is presented in TL unless otherwise stated.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.1 Basis of Presentation of Financial Statements (Continued)**

***(iv) Reporting in a hyperinflationary economy***

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

As a result, the financial statements, whose functional currency is TL, are adjusted for the changes in the general purchasing power of the Turkish Lira based on TAS 29 "Financial Reporting in Hyperinflationary Economies" as at 31 December 2023. The adjustment is calculated by means of conversion factors derived from the Turkish countrywide consumer price index published by the Turkish Statistical Institute ("TSİ"). For the last three years, such indices and conversion factors used to restate the accompanying consolidated financial statements are as follows:

<b>Date</b>	<b>Index</b>	<b>Correction coefficient</b>
31 December 2023	1.859,38	1,00000
31 December 2022	1.128,45	1,64773
31 December 2021	686,95	2,70672

In accordance with the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" of the KGK, the financial statements dated 1 January 2022, which are the opening amounts of the comparative financial statement for the financial statements of the enterprises ending on 31 December 2023, are accepted as the opening financial position statement. As of 1 January 2022, the amount of prior year losses without inflation adjustment is TL 366.200.735 and the amount of prior year losses dated 1 January 2022, brought to the purchasing power of 31 December 2023 after inflation adjustment within the scope of TAS 29, is TL 1.246.687.174.

TFRS require the financial statements of an entity with a functional currency that is hyperinflationary to be restated in accordance with IAS 29 requirements whether they are based on a historical cost or a current cost approach and to be applied retrospectively, as if the currency had always been hyperinflationary. The basic principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the reporting date. Comparative figures for prior period are restated into the same current measuring unit

The main procedures applied for the above-mentioned adjustments are as follows:

- Monetary assets and liabilities carried at their current amounts on the reporting date have not been restated since they are already expressed in the current currency on the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.
- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts;
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.1 Basis of Presentation of Financial Statements (Continued)**

- The effects of inflation on the net monetary positions of the Company, is included in the profit or loss statement as “monetary gain / (loss)”.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.

In the reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 as if the economy had always been hyperinflationary. Therefore, in relation to non-monetary items measured at historical cost, the entity's opening statement of financial position at the beginning of the earliest period presented in the financial statements shall be restated to reflect the effects of inflation from the date the assets were acquired and the liabilities were incurred or assumed until the end of the reporting period. For non-monetary items carried at the opening statement of financial position at amounts current at dates other than those of acquisition or incurrence, that restatement shall reflect instead the effect of inflation from the dates those carrying amounts were determined until the end of the reporting period.

The Company has applied IAS 29 to its opening statement of financial position as at 1 January 2022 and adjusted corresponding figures to reflect the effect of inflation from the date the assets were acquired and the liabilities were incurred or assumed until the end of the reporting period.

***(v) Comparative information and correction of previous period financial statements***

The Company's financial statements are prepared comparatively with the previous period in order to enable the determination of financial status and performance trends. In order to ensure compliance with the presentation of current period financial statements, comparative information is reclassified when necessary and significant differences are explained. In the current period, has not made any reclassifications in the financial statements from the previous period.

**2.2 Changes in Significant Accounting Policies**

Accounting policies are applied consistently in all periods presented in the financial statements. Significant changes made in accounting policies are applied retroactively and previous period financial statements are restated. There are no changes in accounting policies while preparing the financial statements dated 31 December 2023.

**2.3 Changes and errors in accounting estimates**

Changes in accounting estimates, if they are related to only one period, are applied prospectively in the current period in which the change is made, and if they are related to future periods, they are applied prospectively in both the period in which the change is made and in future periods. Significant accounting errors detected are applied retrospectively and the previous period financial statements are restated.

There has been no change in the assumptions and significant accounting estimates used in the preparation of the financial statements dated 31 December 2023 compared to those used in the previous year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.4 Standards and interpretations that are issued but not effective as at 31 December 2023:**

Standards and amendments that have been published as of the reporting date but have not yet entered into force and whose early application is permitted but not implemented by the Company are as follows.

**Classification of Liabilities as Current or Non-current (Amendments to TAS 1)**

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as "TFRS 2023" on 3 January 2023.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Company does not expect that application of these amendments to TAS 1 will have significant impact on its financial statements.

**Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases**

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as "TFRS 2023" on 3 January 2023. Amendments to TFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.4 Standards and interpretations that are issued but not effective as at 31 December 2023:  
(Continued)**

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Company does not expect that application of these amendments to Amendments to TFRS 16 Leases will have significant impact on its financial statements.

**Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements**

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures. Related amendment was published by POA on 19 September 2023. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows. The IASB's amendments apply to supplier finance arrangements<sup>1</sup> that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in TAS 7 and another in TFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Company does not expect that application of these amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements will have significant impact on its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.4 Standards and interpretations that are issued but not effective as at 31 December 2023:  
(Continued)**

**TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information  
and TSRS 2 Climate-related Disclosures**

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on. Related standards were published by POA as "TSRS 1 and TSRS 2" on 29 December 2023.

Two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies' future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. But it will be for individual jurisdictions to decide whether and when to adopt. Accordingly, POA announced in the Board Decision published in the Official Gazette dated 29 December 2023 that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024 .

The Company is within the scope of the application as it meets the criteria specified in the Board Decision.

**The new standards, amendments and interpretations that are issued by the IASB but not issued by POA**

**Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.4 Standards and interpretations that are issued but not effective as at 31 December 2023:  
(Continued)**

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Company does not expect that application of these Amendments to IAS 21 will have significant impact on its financial statements.

**Amendments are effective on 1 January 2023**

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Disclosure of Accounting Policies (Amendments to TAS 1)
- 4- Amendments to IAS 12- IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules AND Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

**2.5 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.

Under the equity method, the share of the post-acquisition, after-tax total comprehensive income/(expense) of associates is reflected in the Company's total comprehensive income/(expense) in proportion to its ownership in the associate. Dividends received or to be received from associates are accounted for as a reduction in the carrying amount of the investment.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

#### 2.5 Basis of Consolidation

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/TFRS, 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 2023 and 2022 (Note 3):

<u>Investments-in-associates</u>	<u>Share/Voting Right (%)</u>	
	<b>2023</b>	<b>2022</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	21,55

#### 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 Pınar 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/TFRS. The assets and liabilities of foreign associate are translated into TL from the foreign exchange rates at the balance sheet date, and the statement of comprehensive income items of foreign associate are translated into TL at the average foreign exchange rates in the period.

The differences arising from the retranslation of the net assets of a subsidiary operating in a foreign country, as well as those from average exchange rates and the rates at the balance sheet date, are tracked under "Share of Other Comprehensive Income of Associates Accounted for Using Equity Method that will be Reclassified to Profit or Loss" within equity.

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

##### 2.5 Basis of Consolidation(Continued)

The exchange rates at the dates of the statement of financial position and for the translation of items in the statement of profit or loss and other comprehensive income are as follows:

<b><u>End of period asset purchase:</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
USD /TL	29,4382	18,6983
EURO /TL	32,5739	19,9349
<b><u>End of period liability sales:</u></b>		
USD /TL	29,4913	18,7320
Avro /TL	32,6326	19,9708
<b><u>Annual average:</u></b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
USD /TL	23,8004	16,5722
Avro /TL	25,7380	17,3919

##### *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 ('TL'), which is the functional currency of the Company. The Company's subsidiary, Pınar Foods, operates in Germany and the applicable reporting currency is the Euro.

##### 2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

**2.7 Summary of Significant Accounting Policies**

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

**2.7.1 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.

***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).

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

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

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

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.

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.

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

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

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

*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.

**2.7.2 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.

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,



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

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

**2.7.2 Revenue recognition (Continued)**

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.

If the Company expects to refund a part or all of the amount collected from a customer, it recognizes a refund liability in the financial statements. This refund liability is calculated based on the portion of the amount collected (or to be collected) that is not expected to be earned by the Company. The Company estimates the expected cash outflows for returns by considering expiration dates and product groups. The refund liability is updated at the end of each reporting period to reflect any changes in conditions.

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

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

**2.7.3 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.

**(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 2023 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.

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

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

**2.7.3 Financial assets (Continued)**

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 (Note 32).

**2.7.4 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).

**2.7.5 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'.

**2.7.6 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.

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

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

**2.7.6 Property, plant and equipment (Continued)**

As of the date of revaluation, the accumulated depreciation of the relevant tangible fixed asset is netted off with the asset's cost and is monitored over the revalued net book value in subsequent periods. Gains and losses related to tangible fixed assets measured at fair value are calculated as the difference between the value at the end of the previous period or the acquisition price, if acquired during the period, adjusted for inflation as of the relevant dates and the fair value of the relevant item at the end of the reporting period.

Increases in the carrying values of lands, land improvements, buildings, machinery and equipment resulting from revaluation are recorded as a credit in the revaluation fund account under equity in the balance sheet, after deducting the deferred tax effect. Valuation increases related to assets for which a decrease in value was previously reflected in the comprehensive income statement are recorded as a credit in the comprehensive income statement in the amount of the said decrease reflected in the comprehensive income statement.

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. 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:

	<u>Years</u>
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).

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

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

**2.7.6 Property, plant and equipment (Continued)**

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.

**2.7.7 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.

**2.7.8 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 2023 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).

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

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

**2.7.9 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.

*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.



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

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

**2.7.9 Impairment of assets (Continued)**

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.

**2.7.10 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.

**2.7.11 Going concern**

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

**2.7.12 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.

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

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

**2.7.13 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.

**2.7.14 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.

**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.

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

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

**2.7.15 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.
- 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.

**2.7.16 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.

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

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

**2.7.17 Taxation on income**

Income tax expense consists of the sum of current tax and deferred tax expense.

Current tax

Current tax is the expected tax liability or receivable on taxable profit or loss in the current year and includes adjustments for tax liabilities in previous years.

It is calculated by taking into account the tax rates that are in force or are almost certain to come into force as of the end of the reporting period. Current tax liability also includes tax liabilities arising from dividend distribution notifications.

Offsetting current tax assets and liabilities can only be done when certain conditions are met.

Income tax expense consists of the sum of current tax and deferred tax expense.

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from such differences by obtaining taxable profit in the future. The assets and liabilities in question are not recognized if the temporary difference related to the transaction that does not affect the commercial or financial profit/loss arises from the initial recognition of goodwill or other assets and liabilities (other than business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and interests in joint ventures, except where the Company is able to control the removal of temporary differences and it is unlikely that such differences will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly probable to benefit from such differences by obtaining sufficient taxable profit in the near future and it is probable that the relevant differences will disappear in the future.

Deferred tax assets and liabilities are calculated based on tax rates (tax regulations) that are expected to be valid in the period in which the assets will be realized or liabilities will be fulfilled and that have been legalized or substantially legalized as of the reporting date. During the calculation of deferred tax assets and liabilities, the tax consequences of the methods the Company estimates to recover the book value of its assets or fulfill its liabilities as of the reporting date are taken into account.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Company intends to offset current tax assets and liabilities. is offset.

Current and deferred tax for the period

Taxes are recognized in profit or loss except on business combinations or when attributable directly to equity or other comprehensive income.

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

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

**2.7.18 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.

**2.7.19 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.

**2.7.20 Government grants and incentives**

Government incentives are systematically reflected in profit or loss under "other income" during the periods when the costs intended to be covered by these incentives are recognized as expenses. Government incentives granted to cover previously realized expenses or losses or to provide urgent financial support to the business without requiring any future cost are recognized in profit or loss in the period when they become collectible.

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

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

**2.7.21 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.

- 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.

**2.7.22 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.

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

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

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

In this context, based on the evaluations made by the Company's management, investment properties are reflected in the financial statements at their fair values as determined by an independent professional valuation company as of 31 December, 2023. Similarly, land and plots, buildings, and underground and above-ground structures are reflected at their fair values as of 31 December, 2022, based on valuations performed by an independent professional valuation company. Additionally, for machinery, plant, and equipment, it is assumed that the fair values determined as of 31 December, 2021, will approximate their fair values as of 31 December, 2023, after accounting for current period depreciations.

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

Buildings and above-ground structures have been evaluated using the cost approach. This approach considers the technical specifications of the buildings, the materials used, construction costs of similar buildings in the market, and costs estimated based on past experience. The depreciation of the buildings has been estimated based on the valuation expert's experience, taking into account the visible physical condition of the buildings.

**c) *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).



# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

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

##### 2.7.22 Significant accounting assessments, estimates and assumptions (Continued)

###### d) 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).

### NOTE 3 - INTEREST IN OTHER ENTITIES

#### Investments-in-associates:

	31 December 2023		31 December 2022	
	TL	(%)	TL	(%)
YBP	500.952.161	42,78	678.045.005	42,78
Çamlı Yem	534.509.648	23,38	417.364.436	23,38
Desa Enerji (*)	72.557.474	21,55	71.983.624	21,55
Pınar Foods	105.359.606	44,94	100.399.619	44,94
	<b>1.213.378.889</b>		<b>1.267.792.684</b>	

Details of significant investment-in-associates of the Company as of 31 December 2023 and 2022 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
- Pınar 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.

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

	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
<i>Statement of Summary Financial Position</i>	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Current Assets</b>								
<i>Cash and Cash equivalents</i>	49.289.326	104.072.156	44.269.105	72.785.362	36.568.756	35.949.055	116.798.965	86.992.616
<i>Other Current Assets</i>	1.825.191.259	2.114.027.531	1.631.380.306	1.370.055.525	101.325.526	228.473.514	141.578.583	140.512.399
<b>Total Current Assets</b>	<b>1.874.480.585</b>	<b>2.218.099.687</b>	<b>1.675.649.411</b>	<b>1.442.840.887</b>	<b>137.894.282</b>	<b>264.422.569</b>	<b>258.377.549</b>	<b>227.505.015</b>
<b>Non-Current Assets</b>	<b>2.519.530.246</b>	<b>2.874.301.395</b>	<b>2.968.846.121</b>	<b>2.628.537.474</b>	<b>304.730.389</b>	<b>264.798.051</b>	<b>6.422.696</b>	<b>13.052.167</b>
<b>Short-Term Liabilities</b>								
<i>Financial Liabilities (Excluding Trade Payables)</i>	100.666.377	25.323.147	907.027.372	1.008.193.499	11.592.665	513.109	5.949.417	7.171.791
<i>Other Short Term Liabilities</i>	2.059.369.561	2.261.783.962	1.105.129.970	919.765.043	93.322.130	168.629.737	24.405.777	3.963.443
<b>Total Short-Term Liabilities</b>	<b>2.160.035.938</b>	<b>2.287.107.109</b>	<b>2.012.157.342</b>	<b>1.927.958.542</b>	<b>104.914.795</b>	<b>169.142.846</b>	<b>30.355.194</b>	<b>11.135.234</b>
<b>Long-Term Liabilities</b>								
<i>Financial Liabilities (Excluding Trade Payables)</i>	8.578.123	5.580.855	31.316.624	24.534.419	-	1.826.027	-	6.013.807
<i>Other Long-Term liabilities</i>	125.929.757	286.284.338	318.682.585	337.595.234	1.016.263	24.221.008	-	-
<b>Total Long-Term Liabilities</b>	<b>134.507.880</b>	<b>291.865.194</b>	<b>349.999.209</b>	<b>362.129.653</b>	<b>1.016.263</b>	<b>26.047.034</b>	<b>-</b>	<b>6.013.807</b>
<b>Net Assets</b>	<b>2.099.467.013</b>	<b>2.513.428.779</b>	<b>2.282.338.981</b>	<b>1.781.290.165</b>	<b>336.693.613</b>	<b>334.030.739</b>	<b>234.445.051</b>	<b>223.408.141</b>

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

Reconciliation of Net Book Values	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<i>1 January Opening Value of Net Assets</i>	<b>2.513.428.779</b>	<b>1.808.933.723</b>	<b>1.781.290.165</b>	<b>1.299.641.783</b>	<b>334.030.739</b>	<b>294.350.245</b>	<b>223.408.141</b>	<b>157.310.426</b>
<i>Profit (Loss) for the year</i>	374.178.304	360.299.992	325.209.587	50.530.938	50.711.536	43.236.236	10.019.140	13.425.093
<i>Other Comprehensive Income (Expense)</i>	(660.250.784)	419.994.373	162.271.273	420.499.001	2.153.992	10.488.283	-	-
<i>Dividends paid</i>	(127.889.287)	(75.799.309)	-	-	(50.157.385)	(13.999.113)	-	-
<i>Capital decrease</i>	-	-	13.567.956	10.618.443	-	-	-	-
<i>Foreign currency translation differences</i>	-	-	-	-	-	-	1.017.770	52.675.622
<b>Closing Value of Net Assets</b>	<b>2.099.467.012</b>	<b>2.513.428.779</b>	<b>2.282.338.981</b>	<b>1.781.290.165</b>	<b>336.738.882</b>	<b>334.075.650</b>	<b>234.445.051</b>	<b>223.408.141</b>
Company's share in %	42,78%	42,78%	23,38%	23,38%	21,55%	21,55%	44,94%	44,94%
Company's share in TL	500.952.161	678.045.005	534.509.648	417.364.436	72.557.474	71.983.624	105.359.606	100.399.618
<b>Book Value</b>	<b>500.952.161</b>	<b>678.045.005</b>	<b>534.509.648</b>	<b>417.364.436</b>	<b>72.557.474</b>	<b>71.983.624</b>	<b>105.359.606</b>	<b>100.399.618</b>

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

<i>Summary Comprehensive Income Statement</i>	<b>YBP</b>		<b>Çamlı Yem</b>		<b>Desa Enerji</b>		<b>Pınar Foods</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<i>Revenue</i>	14.700.883.786	14.021.563.415	2.966.044.331	3.621.956.098	766.597.384	1.233.470.855	401.867.747	302.011.588
<i>Interest Income</i>	134.876	18.954.620	6.414.394	1.126.775	13.903.400	14.496.953	-	-
<i>Depreciation and amortization</i>	(103.230.970)	(63.736.151)	(50.587.788)	(98.584.304)	(32.962.697)	(49.963.107)	(67.616)	(66.613)
<i>Interest Expense</i>	(11.726.319)	(24.254.688)	(204.154.511)	(188.701.350)	(846.491)	(403.808)	-	-
<i>Income Tax Expense</i>	-	(59.297.145)	-	-	-	(23.037.951)	(4.934.800)	(4.013.013)
<b>Profit Before the Year From Continuing Operations</b>	<b>374.178.304</b>	<b>360.299.992</b>	<b>325.209.587</b>	<b>50.530.938</b>	<b>50.711.536</b>	<b>43.236.236</b>	<b>10.019.140</b>	<b>13.425.093</b>
Profit(Loss) for the Year	374.178.304	360.299.992	325.209.587	50.530.938	50.711.536	43.236.236	10.019.140	13.425.093
Other Comprehensive Income(Expense)	(660.250.784)	419.994.373	162.271.273	420.499.001	2.153.992	10.488.283	-	-
<b>Total Comprehensive Income</b>	<b>(286.072.480)</b>	<b>780.294.365</b>	<b>487.480.860</b>	<b>471.029.939</b>	<b>52.865.528</b>	<b>53.724.519</b>	<b>10.019.140</b>	<b>13.425.093</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

Movement in investments-in-associates during the years 2023 and 2022 are as follows:

	2023	2022
<b>1 January</b>	<b>1.267.792.684</b>	<b>816.668.532</b>
Share of (losses)/ profit before taxation of investments-in-associates – net	251.538.417	180.564.226
Increase in revaluation reserve of investments-in-associates	76.518.861	140.438.734
Losses on remeasurements of investment defined benefit plans	(16.530.391)	(28.418.433)
Dividend income from investments-in-associates (Note 5.ii.e)	(38.747.591)	(38.912.287)
Currency translation reserve	457.386	23.671.076
Other gains (losses) of associates accounted for using equity method	(330.822.664)	169.690.197
Affiliate capital increase effect	3.172.187	4.090.639
<b>31 December</b>	<b>1.213.378.889</b>	<b>1.267.792.684</b>

#### NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Bnaks	17.324.906	73.376.062
- Demand deposits	7.119.906	31.276.581
- Time deposits	10.205.000	42.099.481
Other	37.132.505	19.247.449
<b>Total</b>	<b>54.457.411</b>	<b>92.623.511</b>

As of 31 December 2023, the company has time deposits less than one month with an 41% effective weighted average annual interest rate in TL (31 December 2022: The Company has time deposits less than one month with an 18.02% effective weighted average annual interest rate in TL).

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.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

Partners, key management personnel and board members, their families and companies controlled by them or affiliated with them, as well as affiliates and jointly controlled partnerships are considered related parties. Various transactions were made with related parties within the normal activities of the business. These transactions were generally carried out during the normal operation of the business in accordance with market conditions. The balances of receivables from and payables to related parties as of 31 December 2023 and 2022 and the summary of significant transactions made with related parties during the period are presented below:

#### i) *Balances with related parties:*

##### a) **Trade receivables from related parties-current:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
YBP (1)	470.442.570	429.718.961
YDT (2)	86.539.272	87.088.994
Other	732.247	238.308
<b>Total</b>	<b>557.714.089</b>	<b>517.046.263</b>

Average maturity of short-term trade receivables from related parties as of 31 December 2023 is 2 months (31 December 2022: 2 months).

The total overdue trade receivables from related parties includes TL 81.898.774 as of 31 December 2023 (31 December 2022: TL 56.151.716). The aging of the receivables is shown at Note 33.a.

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
Yaşar Holding (3)	109.320.700	207.291.198
Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("Dyo Boya") (2)	23.030	58.713
<b>Total</b>	<b>109.343.730</b>	<b>207.349.911</b>

As of 31 December 2023, the Company has non-trade receivables amounting to TL 33.744.528 from Yaşar Holding with an effective interest rate of 46% and for denominated receivables, respectively (31 December 2022: Non-trade receivables amounting to TL 23.987.646 with an effective interest rate of 20.25%).

As of 31 December 2023, the Company has a transfer loan of TL 75.576.172 to Yaşar Holding with an interest rate of 46,61% (31 December 2022: TL 183.303.551 interest rate of 17,37%).

- (1) Investment in associate
- (2) Related party controlled by parent company
- (3) Parent company

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

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

	31 December 2023	31 December 2022
Çamlı Yem (1)	110.276.182	105.658.343
Yaşar Holding	35.470.577	13.660.847
Desa Elektrik (2)	7.161.140	477.346
Hedef Ziraat Tic. ve San. A.Ş. ("Hedef Ziraat") (2)	916.342	43.172
Other	6.952.229	6.216.612
<b>Total</b>	<b>160.776.470</b>	<b>126.056.320</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 2023 is 2 months (31 December 2022: 2 months).

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

As of 31 December 2023, TL 5.077.011 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 (31 December 2022: TL 1.807.577)

The Company does not have any guarantees received or given in relation to related party receivables and payables.

##### ii) Transactions with related parties:

###### a) Product sales:

	I January 31 December 2023	I January 31 December 2022
YBP	3.536.834.928	3.001.991.028
YDT	144.119.031	146.670.357
Çamlı Yem	29.818.534	37.939.112
Other	5.259.605	4.271.922
<b>Total</b>	<b>3.716.032.098</b>	<b>3.190.872.419</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.

- (1) Investment in associate
- (2) Related party controlled by parent company
- (3) Parent company



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

#### b) Service sales:

	I January 31 December 2023	I January 31 December 2022
YDT	3.669.490	4.984.349
Çamlı Yem	3.358.561	95.504
Yaşar Bilgi A.Ş. ("Yabim") (2)	2.562.898	2.269.818
Pınar Süt Mamülleri Sanayi A.Ş. ("Pınar Süt") (2)	1.184.319	695.686
YBP	1.075.146	796.100
Other	629.053	699.975
<b>Total</b>	<b>12.479.467</b>	<b>9.541.432</b>

#### c) Income from investment activities:

Yaşar Holding	38.029.680	27.487.597
<b>Total</b>	<b>38.029.680</b>	<b>27.487.597</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.

#### d) Dividends received:

YBP	31.574.383	22.693.446
Desa Enerji	7.145.469	4.848.893
Bintur Turizm ve Catering Hizmetleri A.Ş. ("Bintur") (2)	27.740	24.421
<b>Total</b>	<b>38.747.592</b>	<b>27.566.760</b>

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

YDT	32.453.579	24.533.544
YBP	5.393.603	2.423.461
Other	3.257.619	1.898.733
<b>Total</b>	<b>41.104.801</b>	<b>28.855.738</b>

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

- (1) Investment in associate  
(2) Related party controlled by parent company  
(3) Parent company

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

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

##### f) Product purchases:

	1 January – 31 December 2023	1 January – 31 December 2022
Çamlı Yem	789.258.128	964.943.481
Pınar Süt	24.295.870	16.125.393
Hedef Ziraat	1.690.305	13.743.046
Other	859.546	1.030.155
<b>Total</b>	<b>816.103.849</b>	<b>995.842.075</b>

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

##### g) Service purchases:

Yaşar Holding	61.588.308	46.522.903
YBP	21.007.513	21.695.933
Desa Enerji	18.019.427	2.318.131
Yabim	15.442.394	9.502.095
YDT	8.645.544	7.198.836
Çamlı Yem	2.309.715	3.013.110
Bintur	1.759.835	1.197.768
Other	9.681.915	6.091.955
<b>Total</b>	<b>138.454.651</b>	<b>97.540.731</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.

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

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

	1 January 31 December 2023	1 January 31 December 2022
Yaşar Holding	73.717.449	47.193.979
Pınar Süt	17.118.502	10.959.289
Yaşar Eğitim ve Kültür Vakfı (2)	7.420.574	5.520.194
Other	71.500	45.734
<b>Total</b>	<b>98.328.025</b>	<b>63.719.196</b>

(\*) In the Ordinary General Assembly Meeting for the year 2023, it has been decided to distribute dividend amounting to TL 156.492.473 (31 December 2022: TL 102.190.323). TL 45.164.448 portion of this dividend (31 December 2022: TL 28.914.298) was paid to other shareholders.

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

##### 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:

	1 January - 31 December 2023	1 January - 31 December 2022
Total short-term employee benefits	41.430.119	28.580.125
Other long-term benefits	4.790.925	-
Post employment benefits	19.181	4.012.004
<b>Total</b>	<b>46.240.225</b>	<b>32.592.129</b>

The portion of total short-term benefits amounting to TL 13.000.000 (31 December 2022: TL 5.800.000) 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:

	31 December 2023	31 December 2022
Customer current accounts	145.667.063	109.205.110
Cheques and notes receivable	11.081.737	10.609.584
<b>Total</b>	<b>156.748.800</b>	<b>119.814.694</b>
Less: Provision for impairment of receivables	(597.400)	(1.688.878)
<b>Total</b>	<b>156.151.400</b>	<b>118.125.816</b>

The average maturity of checks, notes and customer accounts is 2 months (31 December 2022: 2 months).

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FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

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

The aging of trade receivables as of 31 December 2023 and 2022 are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Overdue	13.629.105	10.494.399
0 - 30 days	53.080.886	31.867.116
31 - 60 days	83.793.405	74.528.504
61 - 90 days	1.724.925	-
91 days and over	3.923.079	1.235.797
<b>Total</b>	<b>156.151.400</b>	<b>118.125.816</b>

As of 31 December 2023, trade receivables of TL 13.629.105 (31 December 2022: TL 10.494.399), 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 2023 and 2022, the aging of the overdue receivables are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
0 - 30 days	12.979.539	9.427.794
30 days and over	649.566	1.066.605
<b>Total</b>	<b>13.629.105</b>	<b>10.494.399</b>

Movement table of doubtful receivable provision is as follows:

<b>1 January</b>	<b>(1.688.878)</b>	<b>(2.293.498)</b>
Provisions no longer required	539.837	759.129
Provision for reserved amount	-	(44.104)
Net monetary gain/loss	551.641	(110.405)
<b>31 December</b>	<b>(597.400)</b>	<b>(1.688.878)</b>

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
Supplier current accounts	597.537.238	488.059.057
<b>Total</b>	<b>597.537.238</b>	<b>488.059.057</b>

The average maturity of trade payables is 2 months (31 December 2022: 2 months).

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

##### a) Other short-term receivables from third parties:

	31 December 2023	31 December 2022
Receivables from the Tax Authority	34.103.607	94.166.245
Other	125.226	82.233
<b>Total</b>	<b>34.228.833</b>	<b>94.248.478</b>

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

Installed tax liabilities	10.856.177	90.382.363
Taxes and funds payable	10.854.069	9.674.835
<b>Total</b>	<b>21.710.246</b>	<b>100.057.198</b>

#### NOTE 8 – INVENTORIES

	31 December 2023	31 December 2022
Finished goods	166.782.826	113.299.228
Raw materials	114.503.944	102.626.253
Work in progress	112.995.812	176.682.461
Spare parts	33.637.681	26.707.025
Raw materials in transit	6.254.384	17.673.782
Other	12.165.754	13.255.837
<b>Total</b>	<b>446.340.401</b>	<b>450.244.586</b>

The costs of inventories recognized as expense and included in cost of sales amounted to TL 3.398.833.694 (31 December 2022: TL 2.635.575.245) (Note 18). Inventories are carried at cost, and there are no inventories valued at fair value less costs to sell.

#### NOTE 9 - BIOLOGICAL ASSETS

	31 December 2023	31 December 2022
Poultry	168.092.556	164.330.539
Cattle	-	63.753.088
<b>Total</b>	<b>168.092.556</b>	<b>228.083.627</b>

The company has fattening turkeys within the scope of biological assets. As of 31 December 2023, the number of fattening turkeys is 540.207 (31 December 2022: 512.336). (31 December 2022: 1.269 fattening calves).

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

The cost values of biological assets are as follows:

Poultry	153.687.731	146.452.417
Cattle	-	64.294.608
<b>Total</b>	<b>153.687.731</b>	<b>210.747.025</b>

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

	2023	2022
<b>Beginning of the period (1 January)</b>	<b>228.083.627</b>	<b>81.213.864</b>
Increase due to production and purchases	1.188.567.525	1.087.186.418
Sales and mortality during the year	(1.154.796.000)	(875.764.276)
Gain / (losses) arising from changes in fair value less estimated point-of-sale costs-net	(90.408.749)	(59.529.553)
Current year realization of previous year fair value differences through current year sales	(3.353.847)	(5.022.826)
<b>Period end (31 December)</b>	<b>168.092.556</b>	<b>228.083.627</b>

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

##### a) Short-term prepaid expenses

	31 December 2023	31 December 2022
Advances given	7.579.826	15.105.101
Prepaid expenses	5.538.860	3.061.494
<b>Total</b>	<b>13.118.686</b>	<b>18.166.595</b>

##### b) Long-term prepaid expenses

Advances given	4.606.755	5.479.794
<b>Total</b>	<b>4.606.755</b>	<b>5.479.794</b>

##### c) Deferred income

Advances received	1.576.696	1.967.494
<b>Total</b>	<b>1.576.696</b>	<b>1.967.494</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

Movements of property, plant and equipment and accumulated depreciation between 1 January -31 December 2023 were as follows:

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
<b><u>Cost/ revaluation:</u></b>					
Land	2.240.842.736	-	-	-	2.240.842.736
Buildings and land improvements	621.621.818	3.097.930	-	13.155.348	637.875.095
Machinery and equipment	813.534.455	21.165.639	(115.831)	27.123.095	861.707.358
Furniture and fixtures	509.066.875	9.977.398	(6.070.276)	399.586	513.373.582
Motor vehicles	34.253.982	3.123.387	(308.889)	-	37.068.480
Construction in progress	7.892.253	71.284.883	-	(40.678.029)	38.499.107
	<b>4.227.212.118</b>	<b>108.649.237</b>	<b>(6.494.996)</b>	<b>-</b>	<b>4.329.366.358</b>
<b><u>Accumulated depreciation (-):</u></b>					
Buildings and land improvements	(45.628.873)	(25.226.879)	-	-	(70.855.751)
Machinery and equipment	(61.332.586)	(62.185.719)	143.490	-	(123.374.816)
Furniture and fixtures	(465.553.781)	(12.562.333)	6.070.276	-	(472.045.837)
Motor vehicles	(29.222.367)	(1.993.828)	56.630	-	(31.159.566)
	<b>(601.737.608)</b>	<b>(101.968.758)</b>	<b>6.270.396</b>	<b>-</b>	<b>(697.435.970)</b>
<b>Net book value</b>	<b>3.625.474.511</b>				<b>3.631.930.388</b>

Investments regarding the completion of the SPP project in 2023 have been completed and consist of production line modernization, SAP S4 Hana project and renovation and modernization investments in production and administrative buildings.



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

Movements of property, plant and equipment and accumulated depreciation between 1 January - 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><u>Cost/ revaluation:</u></b>							
Land	902.476.602	-	-	-	-	1.338.366.133	2.240.842.736
Buildings and land improvements	424.834.713	3.627.965	-	30.374.120	(13.854.827)	176.639.846	621.621.818
Machinery and equipment	794.265.528	18.331.770	(1.036.784)	1.973.942	-	-	813.534.455
Furniture and fixtures	505.432.985	7.965.614	(4.331.724)	-	-	-	509.066.875
Motor vehicles	33.859.644	529.836	(135.497)	-	-	-	34.253.982
Construction in progress	-	40.240.314	-	(32.348.062)	-	-	7.892.253
	<b>2.660.869.472</b>	<b>70.695.500</b>	<b>(5.504.006)</b>	<b>-</b>	<b>(13.854.827)</b>	<b>1.515.005.980</b>	<b>4.227.212.118</b>
<b><u>Accumulated depreciation (-):</u></b>							
Buildings and land improvements	(44.322.123)	(15.161.577)	-	-	13.854.827	-	(45.628.873)
Machinery and equipment	-	(60.295.802)	(1.036.784)	-	-	-	(61.332.586)
Furniture and fixtures	(451.444.618)	(9.777.438)	(4.331.724)	-	-	-	(465.553.781)
Motor vehicles	(27.513.727)	(1.573.143)	(135.497)	-	-	-	(29.222.367)
	<b>(523.280.468)</b>	<b>(86.807.961)</b>	<b>(5.504.006)</b>	<b>-</b>	<b>13.854.827</b>		<b>(601.737.608)</b>
<b>Net book value</b>	<b>2.137.589.004</b>						<b>3.625.474.511</b>

It consists of modernization and renovation works carried out in production facility buildings in 2022, as well as modernization and automation investments made in production lines for machinery, facilities and devices.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

Current year's depreciation and amortization charges were allocated to cost of goods sold by TL 76.009.916 (2022: TL 75), to general administrative expenses by TL 18.019.322 (2022: TL 9.685.212) (Note 22.a), to marketing expenses by TL 17.560.227 (2022: TL 9.754.220), to research and development expenses by TL 17.391.338 (2022: TL 9.821.759) (Note 22.c).

Movements in revaluation reserve for 2023 and 2022 years were as follows:

<b>1 January 2022</b>	-
Increase in revaluation reserve arising from revaluation of land,	
buildings and land improvements, machinery and	1.516.495.199
equipment - net	
Deferred tax calculated on the depreciation of the revaluation fund	(169.297.864)
classified in retained earnings	
<b>31 December 2022</b>	<b>1.347.197.335</b>
<b>1 January 2023</b>	<b>1.347.197.335</b>
Change in tax ratio	(125.746.904)
Depreciation transfer calculated on the revaluation fund	(3.450.407)
<b>31 December 2023</b>	<b>1.218.000.024</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 2023 and 2022, are as follows:

	<b>Land, improvements</b>	<b>Machinery</b>
	<b>and buildings</b>	<b>and</b>
<b>31 December 2023:</b>	<b>Land</b>	<b>equipment</b>
Cost	751.456.384	308.458.186
Less: Accumulated depreciation	-	(45.437.740)
<b>Net book value</b>	<b>751.456.384</b>	<b>263.020.445</b>
<b>31 December 2022:</b>		
Cost	1.896.773.554	512.784.908
Less: Accumulated depreciation	-	(31.676.592)
<b>Net book value</b>	<b>1.896.773.554</b>	<b>481.108.316</b>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### DİPNOT 12 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortization for the years ended 31 December 2023 and 2022 were as follows:

	1 January 2023 Opening	Additions	31 December 2023 Closing
<b>Rights</b>			
Cost	300.099.083	20.074.322	320.173.405
Accumulated amortization	(288.970.737)	(5.866.015)	(294.836.752)
<b>Net book value</b>	<b>11.128.346</b>	<b>14.208.308</b>	<b>25.336.653</b>

	1 January 2022 Opening	Additions	31 December 2022 Closing
<b>Rights</b>			
Cost	295.129.903	4.969.179	300.099.083
Accumulated amortization	(273.585.929)	(15.384.808)	(288.970.737)
<b>Net book value</b>	<b>21.543.975</b>	<b>(10.415.629)</b>	<b>11.128.346</b>

#### NOTE 13 - INVESTMENT PROPERTIES

The movements of investment properties in the accounting periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January 2023	Additions	Fair Value Increase (Note 24.a)	31 December 2023
Fair value: Land, buildings and building improvements	133.993.337	46.444	52.170.220	186.210.000
<b>Total</b>	<b>133.993.337</b>	<b>46.444</b>	<b>52.170.220</b>	<b>186.210.000</b>

	1 January 2022	Additions	Fair Value Increase (Note 24.a)	31 December 2022
Fair value: Land, buildings and building improvements	100.473.376	652.801	32.867.160	133.993.337
<b>Total</b>	<b>100.473.376</b>	<b>652.801</b>	<b>32.867.160</b>	<b>133.993.337</b>

There is TL1.903.884 rental income from investment properties in 2023 (2022: TL 1.055.228).

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### NOTE 14 - GOVERNMENT GRANTS AND INCENTIVES

In 2023 and 2022, the Company received state incentives under the Turquality project, which is implemented by the Undersecretariat of Foreign Trade to support the branding of Turkish products abroad and to establish the Turkish Goods image. Additionally, under the World Trade Organization's Agricultural Agreement and the Cabinet Decision on export-related state aids, there are export incentives for agricultural products. No amounts were earned from these state incentives in 2023 (2022: 1.902.383 TL, which was recognized under other income). The Company holds various investment incentive certificates obtained at different times and benefits from these discounts in accordance with the relevant legislation (Note 28).

#### NOTE 15 - BORROWINGS AND BORROWING COSTS

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

	31 December 2023	31 December 2022
Shor-term borrowings-TL borrowing (*)	480.086.145	577.708.354
Short-term portions of long-term borrowings (**)	22.388.608	34.479.490
Lease liabilities (****)	9.156.503	2.101.695
<b>Short-term financial liabilities</b>	<b>511.631.256</b>	<b>614.289.539</b>
Long-term borrowings (***)	8.228.613	30.143.662
Long-term lease liabilities (****)	15.391.514	3.661.475
<b>Long-term financial liabilities</b>	<b>23.620.127</b>	<b>33.805.137</b>
<b>Total financial liabilities</b>	<b>535.251.383</b>	<b>648.094.676</b>

(\*) As of 31 December 2023, 50 million TL of short-term financial debts consists of subsidized agricultural loans with an annual average interest rate of 19,50%. 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 43,87%. (64 Million TL of short-term financial debts consist of subsidized agricultural loans with an average annual 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 of spot and revolving loans is 15,95%).

(\*\*) As of 31 December 2023, TL 13,4 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 8,9 million is annual interest rate. consists of 21,44% spot loans. (31 December 2022: 27,2 Million TL consists of Euro investment loan principal and interest accrual with an annual average interest rate of 4,1% and a maturity of 2024, while the remaining 7,2 Million TL consists of spot loans with an annual interest rate of 13,75%).

(\*\*\*) As of 31 December 2023, it consists of the principal amounts of TL 8,2 million investment and spot loans used from public banks. It will mature in 2026 and the annual average interest rate is 21,44%. (31 December 2022: The long-term financial debt of TL 13,5 million, equivalent to Euro 0,4 million, has an annual average interest rate of 4,1%. It consists of the principal amount and interest accruals of the investment loan due in 2024. The remaining TL 16,6 million consists of the principal amount and interest accruals of the investment loan due in 2026 with an annual interest rate of 19,75%).

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

As of 31 December, 2023, the fair values of the Company's loans approximate their carrying amounts. The guarantees provided by the Company related to loans and financial liabilities are disclosed in Note 16.

#### b) Other financial liabilities:

	31 December 2023	31 December 2022
Other financial liabilities	38.152.042	47.980.223
<b>Total</b>	<b>38.152.042</b>	<b>47.980.223</b>

As of 31 December 2023 and 2022, other financial liabilities consist of credit card debt.

Movement of net borrowings as of 31 December 2023 and 2022 are as follows:

	2023	2022
<b>1 January</b>	<b>648.094.676</b>	<b>204.441.558</b>
Cash inflows from borrowings	1.090.990.024	1.062.525.819
Cash outflows from debt payments	(980.561.961)	(674.221.769)
Accrual of interest	27.960.217	5.525.739
Lease liabilities - net	45.734.503	7.598.114
Net monetary gain /loss	(296.966.076)	42.225.215
<b>31 December (Note 33.d)</b>	<b>535.251.383</b>	<b>648.094.676</b>

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

#### a) Short-term provisions:

	31 December 2023	31 December 2022
Provisions for returns	19.274.290	25.748.604
Provision for litigations	661.670	417.477
<b>Total</b>	<b>19.935.960</b>	<b>26.166.081</b>

#### b) Guarantees given:

Letters of guarantee	12.531.190	92.941.653
<b>Total</b>	<b>12.531.190</b>	<b>92.941.653</b>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### 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 2023 and 2022 were as follows:

	31 December 2023			31 December 2022		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
Şirket tarafından verilen TRİ'ler:						
A. Total amount of CPM given for the Company's own legal personality	TL	12.531.190	12.531.190	TL	92.941.653	92.941.653
B. Total amount of CPM given on behalf of fully consolidated companies	-	-	-	-	-	-
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D. Total amount of other CPM	-	-	-	-	-	-
i. Total amount of CPM given to on behalf of majority shareholders	-	-	-	-	-	-
ii. Total amount of CPM given to on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPM given to on behalf of third parties which are not in scope of C	-	-	-	-	-	-
<b>TOTAL</b>			<b>12.531.190</b>			<b>92.941.653</b>
The ratio of total amount of other CPM to Equity			%0			%0

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**NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES  
(Continued)****c) Guarantees received:**

	Currency	31 December 2023		Currency	31 December 2022	
		Amount	TL Equivalent		Amount	TL Equivalent
Mortgages	TL	8.469.041	8.469.041	TL	11.898.398	11.898.398
Bank guarantee letter	TL	62.445.650	62.445.650	TL	40.397.068	40.397.068
	Avro	162.600	5.296.516	Avro	133.255	4.377.069
Guarantee notes	TL	518.000	518.000	TL	853.524	853.524
And cheques	USD	50.000	1.471.910	USD	50.000	1.540.487
<b>Total</b>			<b>78.201.117</b>			<b>59.066.546</b>

As of 31 December 2023, bails received from related parties is TL 8.469.041 (31 December 2022: TL 11.989.398).

**NOTE 17 - EMPLOYMENT TERMINATION BENEFITS****a) Payable due to employee benefits**

	31 December 2023	31 December 2022
Social security premiums payable	8.010.175	6.705.782
Other	2.144.314	2.389.239
<b>Total</b>	<b>10.154.489</b>	<b>9.095.020</b>

Provision for seniority incentive bonus	1.020.947	2.759.775
<b>Total</b>	<b>1.020.947</b>	<b>2.759.775</b>

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

Provision employment termination benefits	135.737.218	232.668.518
Provision for seniority incentive bonus	4.886.562	3.467.153
Other	-	1.735.489
<b>Total</b>	<b>140.623.780</b>	<b>237.871.160</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 YEAR THEN ENDED 31 DECEMBER 2023

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

The amount payable consists of one month's salary limited to a maximum of TL 23.489,83 as of 31 December 2023 (31 December 2022: TL 15.371,40). 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 TL 35.058,58 which is effective from 1 January 2024 (1 January 2023: TL 32.926,29) 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 2023	31 December 2022
Discount rate (%)	2,81	0,50
Probability of retirement (%)	98,54	98,75

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

	2023	2022
<b>1 January</b>	<b>232.668.518</b>	<b>138.089.357</b>
Interest costs	46.085.273	34.543.835
Actuarial losses	(4.192.131)	161.991.479
Paid during the year	(73.752.748)	(11.784.122)
Current service cost	16.138.004	24.274.446
Net monetary gain loss	(81.209.698)	(114.446.477)
<b>31 December</b>	<b>135.737.218</b>	<b>232.668.518</b>

#### NOTE 18 – EXPENSE BY NATURE

	1 January - 31 December 2023	1 Ocak - 31 Aralık 2022
Direct material costs	3.400.487.293	2.638.656.370
Staff cost	462.145.925	375.575.779
Outsourced services	268.705.263	194.594.705
Energy Costs	172.329.382	282.158.148
Amortization costs (Note 11)	127.327.204	102.046.362
Shipping costs	81.337.500	57.079.621
Consultancy charges	72.018.622	49.360.706
Advertisement	67.056.069	68.869.515
Maintenance and repair expenses	66.918.353	62.722.596
Other	99.041.534	73.419.382
<b>Total</b>	<b>4.817.367.145</b>	<b>3.904.483.184</b>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### NOTE 18 – EXPENSE BU 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:

	1 January - 31 December 2023	1 January - 31 December 2022
Independent audit fee related reporting period	1.489.950	428.410
<b>Total</b>	<b>1.489.950</b>	<b>428.410</b>

#### NOTE 19 - OTHER ASSETS AND LIABILITIES

##### a) Other current assets:

	31 December 2023	31 December 2022
Deferred VAT	20.379.710	31.800.364
Income accrual	5.910.345	2.261.352
<b>Total</b>	<b>26.290.055</b>	<b>34.061.716</b>

##### b) Other current liabilities:

Expense accrual	157.164	19.393
<b>Total</b>	<b>157.164</b>	<b>19.393</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 Kr 1. The Company's historical authorized registered capital at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
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 YEAR THEN ENDED 31 DECEMBER 2023

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

The compositions of the Company's share capital at 31 December 2023 and 2022 were as follows:

Shareholders	31 December 2023		31 December 2022	
	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
Public Part (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	1.269.540.672		1.269.540.672	
<b>Total share capital</b>	<b>1.312.875.672</b>		<b>1.312.875.672</b>	

Adjustment to share capital amounting to TL 1.269.540.672 (31 December 2022: TL 1.269.540.672) 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 2023, there are 4.333.500.000 (31 December 2022: 4.333.500.000) shares with Kr 1 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:

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**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 1 February 2014, and the Temporary Turkish Commercial Code No. 6102 published in the Official Gazette No. 31130 dated 17 May 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 29 March 2023, the Company has decided to distribute the distributable profit of 2022 amounting to TL 156.492.472 (31 December 2022: TL 62.018.883) as dividend and board of directors. In consideration of this profit distribution decision, the Company has allocated 'Restricted Reserves' which is amounting to TL 15.432.572 from the profit of year 2022. Since the general assembly for 2023 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 YEAR THEN ENDED 31 DECEMBER 2023

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

The Company's relevant equity items presented in its financial statements as adjusted for inflation as of 31 December 2023 are compared with the inflation-adjusted amounts in its financial statements prepared in accordance with Law No. 6762 and other legislation as follows:

	<b>Inflation-adjusted amounts included in the financial statements prepared in accordance with Law No. 6762 and other legislation</b>	<b>Inflation-adjusted amounts in financial statements prepared in accordance with TMS/IFRS</b>	<b>Difference observed in previous year profits</b>
<b>31 December 2023</b>			
Capital Adjustment Differences	1.674.906.923	1.269.540.672	405.366.251
Premiums Related to Shares	-	-	-
Restricted Reserves Allocated from Profits	730.631.688	480.193.857	250.437.831
	<b>2.405.538.611</b>	<b>1.749.734.529</b>	<b>655.804.082</b>

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

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Domestic sales	5.670.135.304	4.720.560.682
Export sales	144.119.032	147.293.546
<b>Gross Sales</b>	<b>5.814.254.336</b>	<b>4.867.854.228</b>
Less: Discounts	(801.497.403)	(729.669.782)
Returns	(63.546.459)	(96.355.817)
<b>Net Sales</b>	<b>4.949.210.474</b>	<b>4.041.828.629</b>
Change in fair value of biological assets	(90.408.749)	(59.529.552)
Cost of Sales	(4.360.326.926)	(3.527.751.384)
<b>Gross Profit</b>	<b>498.474.799</b>	<b>454.547.693</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES,  
RESEARCH AND DEVELOPMENT EXPENSES****a) General Administrative expenses:**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Staff cost	51.654.809	31.679.523
Consultancy charges	44.705.442	27.138.436
Outsourced services	30.106.486	21.376.588
Employment termination benefits	16.138.004	24.274.446
Depreciation and amortization (Note 11)	18.019.322	9.685.212
Taxes	3.597.845	2.404.206
Energy expenses	2.293.184	3.887.741
Repair and maintenance expenses	935.896	666.019
Other	2.180.107	761.200
<b>Total</b>	<b>169.631.095</b>	<b>121.873.371</b>

**b) Marketing expenses:**

Advertisement expenses	67.056.069	68.869.515
Staff cost	41.965.504	29.705.133
Outsourced services	33.514.594	19.517.574
Shipping costs	32.899.337	26.868.751
Consultancy charges	26.268.002	22.125.399
Energy costs	19.101.197	30.941.821
Depreciation and amortization (Note 11.)	17.560.227	9.754.220
Maintenance and repair expenses	7.342.054	7.793.495
Other	16.335.034	22.305.000
<b>Total</b>	<b>262.042.018</b>	<b>237.880.908</b>

**c) Research and development expenses:**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Depreciation and amortization (Note 11)	17.391.338	9.821.759
Staff cost	4.938.353	3.439.033
Outsourced services	1.205.867	1.402.885
Other	1.831.549	2.313.844
<b>Total</b>	<b>25.367.107</b>	<b>16.977.521</b>

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 23 - OTHER OPERATING INCOME AND EXPENSES****a) Other operating income:**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Foreign exchange gain	32.332.025	24.946.575
Interest income	13.663.593	2.529.904
Rent income	8.359.198	3.862.397
Income from sales of scrap	3.380.537	4.596.909
Other	2.467.263	8.335.626
<b>Total</b>	<b>60.202.616</b>	<b>44.271.411</b>

**b) Other operating expenses:**

Foreign exchange loss	38.744.098	20.691.203
Donations	5.652.699	687.613
Interest expense	4.004.918	1.146.935
Other	21.115.609	20.474.014
<b>Total</b>	<b>69.517.324</b>	<b>42.999.765</b>

**NOTE 24 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES****a) Income from investment activities:**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Investment property value increase	52.170.220	49.220.301
Income from sales of property, plant and equipment	1.200.335	236.171
Dividend income	27.740	16.641
<b>Total</b>	<b>53.398.295</b>	<b>49.473.113</b>

**b) Expense from investment activities**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Loss from sales of property, plant and equipment	489.977	902.638
Loss on sale of securities	-	5.152.138
<b>Total</b>	<b>489.977</b>	<b>6.054.776</b>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### NOTE 25 - EXPENSES CLASSIFIED

Please refer to Note 18.

#### NOTE 26 - FINANCIAL INCOME AND EXPENSES

##### i. Financial Income:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	48.099.333	31.810.189
Foreign exchange gain	1.437.722	5.400.371
<b>Total</b>	<b>49.537.055</b>	<b>37.210.560</b>

##### ii. Finansman giderleri:

Interest expense	136.181.557	95.939.843
Defined benefit plans interest cost (Note 17)	46.085.273	34.543.835
Bank commission expense	20.543.188	8.482.452
Foreign exchange loss	16.441.161	11.142.693
Interest expense	818.274	469.181
Mortgages expenses	15.783	15.494
Other	41.334	39.385
<b>Total</b>	<b>220.126.570</b>	<b>150.632.883</b>

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

Please refer to other comprehensive income.



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

**Corporate tax**

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2022: 23%) on their corporate income. Advance tax is declared by 17th and payable by the 17th (2022: 17th) 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, the general corporate tax rate applied to the legal tax base, which is calculated by adding non-deductible expenses and deducting exemptions in accordance with tax laws to the commercial income of corporations. According to the Article 21 of the "Law on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Decree Law No. 375 on Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023" published in the Official Gazette dated 15 July 2023 and numbered 32249. with the amendments made in Article 32 of the Corporate Tax Law No. 5520 regulating the corporate tax rate, the general corporate tax rate will be applied as 25%.

Within the scope of this change, the tax rate used in deferred tax calculation as of 31 December 2023 is 25%. (31 December 2022: 20%).

Within the scope of Article 298 of the Tax Procedure Law, the necessary conditions for inflation correction of financial statements have been met as of 31 December 2021. However, in accordance with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette numbered 31734 dated 29 January 2022, and the provisional article 33 of the Tax Procedure Law numbered 213:

- Duplicate financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods and the 2023 accounting period provisional tax periods, regardless of whether the conditions for inflation adjustment within the scope of Article 298, including provisional tax periods, are met.

- Financial statements dated 31 December 2023 will be subject to inflation correction in a way that will not affect the corporate tax base,

has been ruled.

In accordance with the Tax Procedural Law General Communiqué No. 555 published in the Official Gazette No. 32415 dated 30 December 2023 and the 298th bis article of the Tax Procedure Law No. 213, it is essential that the financial statements of companies operating in Turkey for the 2023 accounting period be subject to hyperinflation correction. These inflation-adjusted financial statements will constitute an opening balance sheet basis in the tax returns to be prepared as of 1 January 2024, and inflation effects will not be considered in the corporate tax calculation for 2023.

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 28 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

**Corporate tax (Continued)**

According to the temporary article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2023 are included in the deferred tax calculation as of 31 December 2023.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period for a period not exceeding 5 years. Declarations and relevant accounting records can be examined by the tax office within five years and tax accounts can be revised.

Dividend payments made from joint stock companies resident in Turkey to those other than those who are not liable for corporate tax and income tax and those who are exempt, and to natural persons who are resident and non-resident of Turkey and legal entities who are not resident in Turkey are subject to 10% income tax.

Dividend payments made from joint stock companies resident in Turkey to joint stock companies resident in Turkey are not subject to income tax. Additionally, if the profit is not distributed or added to the capital, income tax is not calculated. Dividend earnings obtained by institutions from participating in the capital of another institution subject to full liability are exempt from corporate tax. In addition, 75% of the profits arising from the sale of the participation shares that have been in the assets of the institutions for at least two full years, as well as the founding shares, usufruct shares and priority rights of the real estate (immovable properties) they have owned for the same period, are exempt from corporate tax. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for real estate, and this rate is used as 50% in tax returns to be prepared as of 2018. Additionally, with the amendment, as of July 15, 2023; The 50% tax exemption foreseen for real estate sales profits in Law No. 5520 has been abolished. However, this exception will be applied as 25% on the sales of real estate in the assets of businesses before 15 July 2023.

In order to benefit from the exemption, the relevant income should be kept under a fund account in liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Authorities authorized for tax inspection may examine tax returns and the accounting records underlying them during the five years following the accounting period and make re-assessments as a result of their findings.

There is a withholding tax liability on dividend distributions and this withholding tax liability is declared in the period in which the dividend is paid in cash or on account. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the Presidential Decision No. 4936, published in the Official Gazette dated 22 December 2021 and numbered 31697, the withholding tax rate of 15% has been reduced to 10%.

In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of retained earnings to the capital is not considered a profit distribution, therefore it is not subject to withholding tax.

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

##### Corporate tax (Continued)

##### Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered a non-deductible expense for corporate tax.

As of 31 December 2023 and 2022, corporation taxes currently payable are as follows:

	31 December 2023	31 December 2022
Corporation taxes currently payable	32.258.723	43.875.891
Less: Prepaid corporate tax	(28.005.453)	(51.843.223)
<b>Current income tax (assets)/ liabilities</b>	<b>4.253.270</b>	<b>(7.967.332)</b>

Taxation on expense in the statement of comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Current corporation tax expense	(32.258.723)	(43.875.891)
Deferred tax income	17.365.022	(7.945.473)
<b>Total taxation on expense</b>	<b>(14.893.701)</b>	<b>(51.821.364)</b>

The reconciliation of tax expense is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Profit before tax</b>	<b>494.266.462</b>	<b>387.761.414</b>
Tax calculated at tax rates applicable to the profit	(123.566.616)	(89.185.125)
Expenses not deductible for tax purpose	(6.347.061)	(4.210.883)
Income not subject to tax	22.869.170	1.707.327
Tax effect of share in profits/ (losses) of affiliates	62.884.605	41.529.772
Deferred tax from inflation accounting	24.179.936	-
Inflation and other effects	5.086.265	(1.662.455)
<b>Tatol taxation on expense</b>	<b>(14.893.701)</b>	<b>(51.821.364)</b>

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**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 2023 and 2022 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 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Revaluation of property, plant and equipment	2.495.514.698	3.155.146.868	(497.848.858)	(404.656.983)
Differences between carrying cost before revaluation and tax base	(86.952.974)	-	21.738.244	-
Provision for employment termination benefits	(135.737.218)	(232.668.518)	33.934.304	46.533.703
Deferred tax calculated from financial assets held for sale	(51.219.629)	15.969.465	3.201.227	(557.112)
Investment incentives (*)	(2.214.649)	(4.146.753)	553.662	912.285
Investment property revaluation	170.026.094	107.403.170	(31.879.893)	(10.740.317)
Other	2.898.264	(23.899.498)	724.568	5.496.886
<b>Deferred income tax assets (liabilities) - net</b>			<b>(472.777.974)</b>	<b>(363.011.538)</b>

- (\*) The company has investment incentive certificates related to production line investment. The Company management expects to benefit from the investment allowance amounting to TL 553,662 as of 31 December 2023 (31 December 2022: TL 912.285) in accordance with the related investment incentive certificates.

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

	<b>2023</b>	<b>2022</b>
<b>Opening (1 January)</b>	<b>(363.011.538)</b>	<b>(217.754.752)</b>
Credited to statement of comprehensive income	17.365.022	(7.945.473)
Charged to actuarial loss arising from defined benefit plans	(1.048.033)	32.398.295
Calculated on revaluation fund	(336.521)	(411.744)
Fair value difference credited to other comprehensive income	(125.746.904)	(169.297.864)
<b>Total tax expense</b>	<b>(472.777.974)</b>	<b>(363.011.538)</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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#### NOTE 29 - EARNINGS PER SHARE

		1 January - 31 December 2023	1 January - 31 December 2022
Profit for the period	A	479.372.761	335.940.050
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>11,0620</b>	<b>7,7522</b>

There are no differences between basic and diluted earnings per share. Since the General Assembly meeting of the year 2023 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 2023		31 December 2022	
	TL	(%)	TL	(%)
YDT	13.785.634	0,93	19.259.645	0,93
Bintur	413.729	1,17	400.315	1,17
Other	196.694	-	120.423	-
<b>Total</b>	<b>14.396.057</b>		<b>19.780.383</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 2023, nominal discounts and growth rates are used in the fair value calculations.

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

As of 31 December 2023 and 2022, the discount and growth rates used in discounted cash flow models are as follows:

	<b>Discount Rate</b>		<b>Growth Rate</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Bintur	36,87%	39,18%	1%	1%
YDT	35,61%	38,03%	1%	1%

Movements of available for financial investments are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>19.780.383</b>	<b>11.545.474</b>
Fair value change	2.391.425	12.752.013
PNet monetary gain/loss	(7.775.751)	(4.517.104)
<b>31 December</b>	<b>14.396.057</b>	<b>19.780.383</b>

Movements of fair value change are as follows:

<b>1 January</b>	<b>7.823.163</b>	<b>-</b>
Change in fair value	(5.797.731)	8.234.909
Change in fair value available for sale investments (Note28)	269.216	(411.746)
<b>31 December</b>	<b>2.294.648</b>	<b>7.823.163</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).

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**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 2023 and 2022 are as follows:

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

#### a) Credit risk (Continued):

31 December 2023

	Receivables				
	Trade Receivables (1)			Other Receivables	Bank Deposits
	Related Party	Third Party	Related Party	Third Party	
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)</b>	<b>557.714.089</b>	<b>156.151.400</b>	<b>109.343.730</b>	<b>34.228.833</b>	<b>17.324.906</b>
- The part of maximum credit risk covered with guarantees	-	-	-	-	-
<b>A. Net book value of financial assets not due or not impaired</b>	<b>475.815.315</b>	<b>142.522.296</b>	<b>109.343.730</b>	<b>34.228.833</b>	<b>17.324.906</b>
<b>B. Net book value of financial assets whose conditions are renegotiated , otherwise will be classified as past due or impaired</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net book value of assets past due but not impaired (3)</b>					
- The part covered by guarantees	81.898.774	13.629.104	-	-	-
<b>D. Net book value of assets impaired</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Past due amount (gross book value)	-	597.400	-	-	-
- Impairment amount (-)	-	(597.400)	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
- Not due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
<b>E. Off-balance items exposed to credit risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (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 YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

#### a) Credit risk (Continued):

31 December 2022

	Receivables				
	Trade Receivables (1)			Other Receivables	Bank Deposits
	Related Party	Third Party	Related Party	Third Party	
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)</b>	<b>517.046.263</b>	<b>118.125.816</b>	<b>207.349.911</b>	<b>94.248.478</b>	<b>73.376.062</b>
- The part of maximum credit risk covered with guarantees	-	-	-	-	-
<b>A.</b> Net book value of financial assets not due or not impaired	460.894.548	107.631.419	207.349.911	94.248.478	73.376.062
<b>B.</b> Net book value of financial assets whose conditions are renegotiated , otherwise will be classified as past due or impaired	-	-	-	-	-
<b>C.</b> Net book value of assets past due but not impaired (3)					
- The part covered by guarantees	56.151.715	10.494.397	-	-	-
<b>D.</b> Net book value of assets impaired	-	-	-	-	-
- Past due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	1.688.878	-	-	-
- Collateral held as security and guarantees received	-	(1.688.878)	-	-	-
- Not due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
<b>E.</b> 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.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

##### a) Credit risk (Continued):

31 December 2023	Receivables		
	Related Parties	Third Parties	Total
1 - 30 days overdue	54.208.359	12.979.539	67.187.898
1 - 3 months overdue	26.263.844	493.651	26.757.495
3 - 6 months overdue	1.426.571	155.914	1.582.485
The part of credit risk covered with guarantees	-	-	-
<b>Total</b>	<b>81.898.774</b>	<b>13.629.104</b>	<b>95.527.878</b>

31 December 2022	Receivables		
	Related Parties	Third Parties	Total
1 - 30 days overdue	24.263.914	9.427.792	33.691.706
1 - 3 months overdue	10.057.487	256.551	10.314.038
3 - 6 months overdue	21.830.314	810.054	22.640.368
The part of credit risk covered with guarantees	-	-	-
<b>Total</b>	<b>56.151.715</b>	<b>10.494.397</b>	<b>66.646.112</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.

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**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 2023 and 2022 is as follows:

**31 December 2023**

	<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>Financial liabilities</b>					
Bank borrowings	510.703.366	590.642.224	273.498.119	307.858.312	9.285.793
Trade payables	758.313.708	758.313.708	732.470.152	25.843.556	-
Other payables and other financial liabilities	89.487.316	89.487.316	59.862.288	14.233.514	15.391.514
<b>Total</b>	<b>1.358.504.390</b>	<b>1.438.443.248</b>	<b>1.065.830.559</b>	<b>347.935.382</b>	<b>24.677.307</b>

**31 December 2022**

	<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>Financial liabilities</b>					
Bank borrowings	642.331.505	712.762.936	205.745.077	410.419.461	96.598.398
Trade payables	614.115.377	614.115.377	589.472.620	24.642.757	-
Other payables and other financial liabilities	155.608.168	155.608.168	148.037.421	3.909.272	3.661.475
<b>Total</b>	<b>1.412.055.051</b>	<b>1.482.486.481</b>	<b>943.255.118</b>	<b>438.971.490</b>	<b>100.259.873</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 TL 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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

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

#### c) Market risk (Continued):

	31 December 2023		Foreign Currency Position		31 December 2022		Other (TL Equivalent)	
	TL Equivalent	USD	EUR	Other (TL Equivalent)	TL Equivalent	USD	EUR	Other (TL Equivalent)
1. Trade Receivables	79.580.896	2.703.321	-	-	82.503.997	2.557.644	112.754	-
2a. Monetary Financial Assets (Cash.- Bank account)	459.249	15.123	432	-	1.204.683	37.992	1.040	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	667.496	22.674	-	-	706.637	22.907	27	-
<b>4. Current Assets (1+2+3)</b>	<b>80.707.641</b>	<b>2.741.118</b>	<b>432</b>	<b>-</b>	<b>84.415.316</b>	<b>2.618.543</b>	<b>113.821</b>	<b>-</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>80.707.641</b>	<b>2.741.118</b>	<b>432</b>	<b>-</b>	<b>84.415.316</b>	<b>2.618.543</b>	<b>113.821</b>	<b>-</b>
10. Trade Payables	9.834.610	11.531	290.953	-	20.051.385	48.757	563.613	-
11. Financial Liabilities	13.486.510	-	413.283	-	27.300.852	-	829.650	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>13. Short-Term Liabilities 10+11+12</b>	<b>23.321.120</b>	<b>11.531</b>	<b>704.236</b>	<b>-</b>	<b>47.352.237</b>	<b>48.757</b>	<b>1.393.263</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	13.498.234	-	410.200	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liabilities (15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.498.234</b>	<b>-</b>	<b>410.200</b>	<b>-</b>
<b>17. Long-Term Liabilities 14+15+16</b>	<b>23.321.120</b>	<b>11.531</b>	<b>704.236</b>	<b>-</b>	<b>60.850.471</b>	<b>48.757</b>	<b>1.803.463</b>	<b>-</b>
<b>19. Net Foreign Currency Asset/(Liability) Position of Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/(Liability) Position (9-18+19)</b>	<b>57.386.521</b>	<b>2.729.587</b>	<b>(703.804)</b>	<b>-</b>	<b>23.564.845</b>	<b>2.569.786</b>	<b>(1.689.642)</b>	<b>-</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>56.719.025</b>	<b>2.706.913</b>	<b>(703.804)</b>	<b>-</b>	<b>22.858.208</b>	<b>2.546.879</b>	<b>(1.689.669)</b>	<b>-</b>
<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. Hedged amount for Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Hedged amount for Foreign Currency Liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>115.725.916</b>	<b>3.506.540</b>	<b>178.157</b>	<b>29.769.217</b>	<b>147.293.546</b>	<b>3.601.947</b>	<b>172.762</b>	<b>17.045.246</b>
<b>26. Import</b>	<b>45.629.078</b>	<b>33.220</b>	<b>1.780.981</b>	<b>-</b>	<b>57.237.593</b>	<b>22.650</b>	<b>1.629.081</b>	<b>59</b>

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

#### c) Market risk (Continued):

##### i) Foreign exchange risk (Continued):

31 December 2023

	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 TL:</b>				
1- Asset/Liability denominated in USD - net	8.035.413	(8.035.413)	8.035.413	(8.035.413)
2- The part hedged for USD risk (-)	-	-	-	-
<b>3- USD Effect Net (1+2)</b>	<b>8.035.413</b>	<b>(8.035.413)</b>	<b>8.035.413</b>	<b>(8.035.413)</b>
<b>Change of EUR by 10% against TL:</b>				
4- Asset/Liability denominated in EUR - net	(2.296.695)	2.296.695	(2.296.695)	2.296.695
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR Effect Net (4+5)</b>	<b>(2.296.695)</b>	<b>2.296.695</b>	<b>(2.296.695)</b>	<b>2.296.695</b>
<b>Change of other currencies by average 10% against TL</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>5.738.718</b>	<b>(5.738.718)</b>	<b>5.738.718</b>	<b>(5.738.718)</b>

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

### 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 TL:</b>				
1- Asset/Liability denominated in USD - net	7.564.987	(7.564.987)	7.564.987	(7.564.987)
2- The part hedged for USD risk (-)	-	-	-	-
<b>3- USD Effect Net (1+2)</b>	<b>7.564.987</b>	<b>(7.564.987)</b>	<b>7.564.987</b>	<b>(7.564.987)</b>
<b>Change of EUR by 10% against TL:</b>				
4- Asset/Liability denominated in EUR - net	(5.513.741)	5.513.741	(5.513.741)	5.513.741
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR Effect Net (4+5)</b>	<b>(5.513.741)</b>	<b>5.513.741</b>	<b>(5.513.741)</b>	<b>5.513.741</b>
<b>Change of other currencies by average 10% against TL:</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>2.051.246</b>	<b>(2.051.246)</b>	<b>2.051.246</b>	<b>(2.051.246)</b>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

#### 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 2023 and 2022.

###### 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 2023	31 December 2022
Financial liabilities (Note 15)	573.403.425	696.074.898
Less: Cash and cash equivalents (Note 4)	(54.457.411)	(92.623.511)
Other receivables from related parties	(109.343.730)	(207.349.911)
Other payables to related parties	5.077.011	1.807.577
Net debt/ (assets) (Note 15)	414.679.295	397.909.053
<b>Total Equity</b>	<b>4.669.169.233</b>	<b>4.790.684.895</b>
<b>Net debt (assets)/ equity ratio</b>	<b>%8.9</b>	<b>%8.3</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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**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 YEAR THEN ENDED 31 DECEMBER 2023**

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

**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 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Financial Investments	-	14.396.057	-	14.396.057
<b>Total assets</b>	<b>-</b>	<b>14.396.057</b>	<b>-</b>	<b>14.396.057</b>

**31 December 2022**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Financial Investments	-	19.780.383	-	19.780.383
<b>Total assets</b>	<b>-</b>	<b>19.780.383</b>	<b>-</b>	<b>19.780.383</b>

The following table presents the Company's non-financial assets that are measured fair value at 31 December 2023 and 2022:

**31 December 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3 (*)</b>	<b>Total</b>
<b>Property, plant and equipment</b>				
Land	-	2.240.842.736	-	2.240.842.736
Buildings and land improvements	-	567.019.343	-	567.019.343
Machinery and equipment	-	738.332.542	-	738.332.542
<b>Investment properties:</b>				
Investment properties	-	186.210.000	-	186.210.000
<b>Biological assets:</b>				
Biological assets	-	-	168.092.556	168.092.556
<b>Total assets</b>	<b>-</b>	<b>3.732.404.621</b>	<b>168.092.556</b>	<b>3.900.497.177</b>

(\*) Since there is no live stock market for male and female turkeys, the Company estimates fair value by taking into account the realized sales prices and age, gender and productivity.

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR THEN ENDED 31 DECEMBER 2023

(Amount expressed in Turkish Lira ('TL') with purchasing power as of 31 December 2023, unless otherwise stated.)

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

##### Classification of financial assets (Continued)

31 December 2022

	Level 1	Level 2 (*)	Level 3 (**)	Total
<b>Property, plant and equipment:</b>				
Land	-	2.240.842.736	-	2.240.842.736
Buildings and land improvements	-	575.992.945	-	575.992.945
Machinery and equipment	-	752.201.868	-	752.201.868
<b>Investment properties:</b>				
Investment properties	-	133.993.337	-	133.993.337
<b>Biological assets:</b>				
Biological assets	-	63.753.088	164.330.539	228.083.627
<b>Total assets</b>	<b>-</b>	<b>3.766.783.974</b>	<b>164.330.539</b>	<b>3.931.114.513</b>

(\*) Fair value estimation is made by taking into consideration the cattle fattening calf value estimates, the sales prices received from the National Red Meat Council and the scale prices purchased from livestock breeding farms.

(\*\*) Since there is no live stock market for male and female turkeys, the Company makes fair value estimates by taking into account the realized sales prices and age, gender and productivity.

#### NOTE 35 - SUBSEQUENT EVENTS

In accordance with the decision of the Board of Directors taken on 7 February 2024, it was decided that our company would participate in the capital increase of Hadaf Foods company of USD 18.000.000 with USD 3.000.000 and a capital advance payment was made.

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