



PINAR ET

ANNUAL REPORT

20  
21

for a better life

**Relevant Accounting Period of the Report**

01.01.2021-31.12.2021

**Trade Name**

Pınar Entegre Et ve Un Sanayii A.Ş.

**Trade Registry Office 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 Izmir Factory**

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www.pinar.com.tr

www.guzelyasa.com.tr

www.lezzetfikirleri.com

facebook.com/illakipinarsucuk

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instagram.com/illakipinarsucuk

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instagram.com/pinarguzelyasa

instagram.com/pinarlayasam

instagram.com/pinarlezzetfikirleri

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instagram.com/pinaronlinetr

twitter.com/pinaronlinetr

facebook.com/pinaronlinetr

youtube.com/PinarOnline



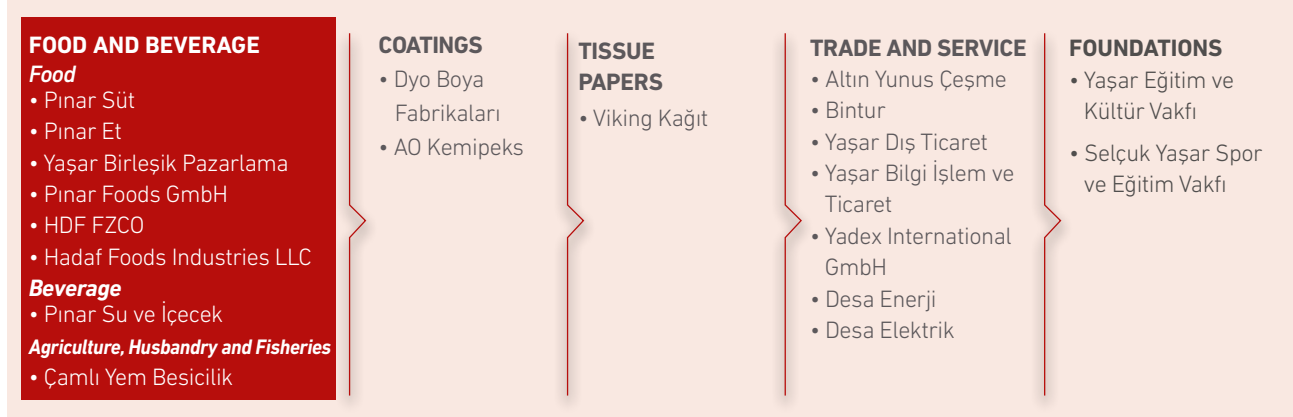
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# One of the Hard Working, Producing, and Leading Groups of Turkey...



The Yaşar Group, the foundations of which were laid in the initial years of the Republic of Turkey with the "Durmuş Yaşar Müessesesi," has acted under the principle of "working, producing, and providing benefit to its country without interruption" since its establishment, adding value to the Turkish economy, society, environment, quality of life and human health for the past 77 years. One of the leading industrial groups of the Turkish economy with 21 companies operating in the food and beverage, coatings, tissue papers, tourism, information technologies, foreign trade, and energy business lines, with 25 factories and facilities, 2 foundations, 7,500 employees, and over 1,000 dealerships and 200,000 sales points, the Yaşar Group works with the mission of providing "quality products and services that add value to consumers' lives with its reliable brands." The Group continues its work to create value for Turkey and the world, and offer a better life to all its stakeholders with its corporate values of Our Consumers and Customers Come First, Operational Excellence, Human Resources, Ethical Stance, and Environmental and Social Responsibility.

## Leading Brands in Different Industries

Pınar and DYO are among the top brands in Turkey's "brands most known by consumers," listing with their leading brands in the food, beverage, and coatings industries, the main business lines of Yaşar Group. The Group focuses on consumers and customers, has adopted the principle of providing the highest quality products and services, and has established strong ties with business partners. The shares of Yaşar Holding A.Ş.'s subsidiaries Pınar Süt, Pınar Et, Pınar Su ve İçecek, Dyo Boya, Viking Kağıt and Altın Yunus Çeşme are traded on Borsa İstanbul.

## A Deep-rooted Establishment that Introduced a Series of "FIRSTS" to Turkey

Yaşar Group proudly bears the title of "the pioneer of the firsts" with the sectors, brands, and products it has brought to Turkey.

- The first paint factory and brand, DYO
- The first private industrial dairy factory by international standards, PINAR SÜT
- The first premium-class holiday village with 1.100 beds, ALTIN YUNUS ÇEŞME

- The first private industrial paper mill, VIKING KAĞIT
- The first natural spring water offered in disposable packaging, PINAR SU
- The first private industry integrated meat facility, PINAR ET
- The first integrated turkey facility, PINAR HİNDİ
- The first aquaculture facility and the first aquaculture farmed-fish production, PINAR DENİZ
- The first organic fertilizer factory, ÇAMLI YEM BESİCİLİK

## An Approach That Values the Environment and Society

Monitoring the impacts of its operations with a sense of responsibility towards nature and the planet and recognizing the minimizing of such impacts among its core goals, the Yaşar Group continues to work in compliance with all laws and regulations with the responsibility of creating responsible individuals and institutions by aligning all its stakeholders to its sustainability approach. The Yaşar Group, which focuses on environmental and social sustainability and economic sustainability, continues to support education, sports, culture, and the arts with long-term corporate social responsibility projects implemented through its companies and foundations.

Yaşar University, one of the foremost educational investments of the Group, is on its way to becoming one of the most successful universities in Turkey with its quality of education, experienced academic staff, and the facilities it provides to its students.

The Yaşar Group became a voluntary participant of the United Nations (UN) Global Compact network on 12 November 2007. It has been reporting its sustainability performance since 2009. Also, it supports women's participation in working life with the appropriate gender policies within the scope of the "CEO Statement of Support" for the UN Women's Empowerment Principles signed in 2012.

The progress reports and sustainability reports published by the Group within the scope of the Global Compact are available on the corporate website at [www.yasar.com.tr](http://www.yasar.com.tr).





Dear Stakeholders,

We have concluded a particular year characterized by growth opportunities and challenges. 2021 also witnessed the untimely loss of a precious director of our Group. We remain deeply saddened by the loss of our brother Mustafa Selim Yaşar, the Chairperson of the Board of Directors of Yaşar Holding. We will continue to grow the Yaşar Group to reflect the ideals that we have created together.

Our Company continued to produce in hygienic conditions at EU standards as confirmed by certification in 2021, during which the pandemic continued to affect us. Meanwhile, progress was made on the road to normalization in economic and social amid increased vaccination rates. We achieved a turnover share of 17.5% in the total processed meat market (Nielsen, 2021, excluding BIM). Growing its net sales revenue by 32.8% compared to the previous year, Pinar Et completed the year 2021 with a turnover of TRY 1.1 billion. The gross profit of our Company for the period was TRY 185.1 million, while the net profit was TRY 146.9 million.

We continued our work faithful to our sustainability strategy, our priority in adding value to life. We adopt this approach in every step we take, from our R&D studies to the procurement process, our understanding of quality to product development, and our human resources policy to our social responsibility projects. We work to reduce the effects of the global climate crisis with the responsibility of leaving a better world for future generations. We do so by focusing on health and quality and aim to achieve and deliver a better life with our egalitarian approach and principle of supporting gender equality. We also contribute to economic and social prosperity with our activities that combine science and information.

A world worthy of living in is possible by preserving today's resources for the future while delivering healthy products and services that protect consumers, ensure

## Message from the Chairperson of the Board

efficient use of natural resources, and avoid waste. Our goal is to reach millions of consumers' diverse needs and expectations across different geographies at home and abroad with functional products. And so, we continued our activities throughout the year to respond to the demands of consumers whose tastes, dietary habits, and lifestyles differ significantly. We achieved this with our products that combine interdisciplinary scientific work and a production approach focused on quality, health, and the environment, as well as sales and marketing strategies and dedication to aesthetics and design.

We operate in a critically important industry centered around individual and human health. The secret behind achieving our goals is our innovative power. In our efforts to strengthen the immune system, we innovated to advance the elements of 'health and taste.' We brought our world-class studies in plant-based products that meet daily protein needs to consumers across diverse geographies. We developed and introduced 54 new products to the market to meet the needs and tastes of consumers of all ages. We directed 16 of these products to our export channel, which reaches over 20 countries. Our Company, which develops products for various sales channels, prepared 27 new unique products for the customers of PinarOnline, which was launched during the year. The new digital business model of the PinarOnline sales platform allows Pinar Et to meet the healthy food requirements of consumers who prefer to shop from home.

We have prioritized waste management and packaging waste prevention efforts among the critical aspects of our sustainability efforts. As a result of optimization studies, we used about 58 thousand kg less plastic and 31 thousand kg less paper. This allowed us to reduce our CO<sub>2</sub> emissions by 253 tons.

Our Food Safety and Quality Management System led to our receiving the Good Agricultural Practices (GAP) certificate covering turkey hatchery, breeding, feed, and turkey meat production by controlling all stages of each production process. We have guided companies we work with through our Supplier Principles Guide.

The value we add to life goes beyond our products and services. We continue our social contribution efforts in the arts, sports, education, the environment, and food. And so, we determinedly continue our journey with our employees, shareholders, consumers, customers, and business partners towards a better life and future.

I want to thank our employees, shareholders, dealers, and business partners for carrying our Company to a strong future.

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



**MUSTAFA SELİM YAŞAR**  
BOARD MEMBER\*



**KEMAL SEMERCİLER**  
INDEPENDENT BOARD MEMBER



**SEZAİ BEĞÖZ**  
INDEPENDENT BOARD MEMBER



**FATMA DİLEK YARDIM**  
INDEPENDENT BOARD MEMBER

### 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 11 and 12 of our Articles of Association.



**YILMAZ GÖKOĞLU**  
BOARD MEMBER



**CENGİZ EROL**  
BOARD MEMBER

\* Mr. Mustafa Selim Yaşar passed away on 2 September 2021.

\*\* Resumes of the Board of Directors are available on pages 45-46.

# Senior Management and Committees

## BOARD OF DIRECTORS AND TENURES

NAME LAST NAME	POSITION	TERM OF OFFICE
E. FEYHAN YAŞAR	CHAIRPERSON OF THE BOARD OF DIRECTORS	25.03.2021 - 25.03.2022
İDİL YİĞİTBAŞI	VICE CHAIRPERSON OF THE BOARD OF DIRECTORS	25.03.2021 - 25.03.2022
MUSTAFA SELİM YAŞAR(*)	BOARD MEMBER	25.03.2021 - 02.09.2021
KEMAL SEMERCİLER	INDEPENDENT BOARD MEMBER	25.03.2021 - 25.03.2022
SEZAİ BEKGÖZ	INDEPENDENT BOARD MEMBER	25.03.2021 - 25.03.2022
FATMA DİLEK YARDIM	INDEPENDENT BOARD MEMBER	25.03.2021 - 25.03.2022
YILMAZ GÖKOĞLU	BOARD MEMBER	25.03.2021 - 25.03.2022
CENGİZ EROL	BOARD MEMBER	24.02.2022 - 25.03.2022

(\*) Mr. Mustafa Selim Yaşar passed away on 2 September 2021.

### Corporate Governance Rating:

Pınar Et's corporate governance rating was confirmed as 9.36 out of 10 in 2021.

## SENIOR MANAGEMENT

NAME LAST NAME	POSITION
TUNÇ TUNCER	GENERAL MANAGER
ORKUN NALDELEN	FINANCIAL AFFAIRS AND FINANCE DIRECTOR

## COMMITTEE RESPONSIBLE FOR AUDITS

NAME LAST NAME	POSITION
KEMAL SEMERCİLER	CHAIRPERSON
SEZAİ BEKGÖZ	MEMBER
FATMA DİLEK YARDIM	MEMBER

## CORPORATE MANAGEMENT COMMITTEE

NAME LAST NAME	POSITION
KEMAL SEMERCİLER	CHAIRPERSON
SEZAİ BEKGÖZ	MEMBER
YILMAZ GÖKOĞLU	MEMBER
TOLGA BAĞCI	MEMBER

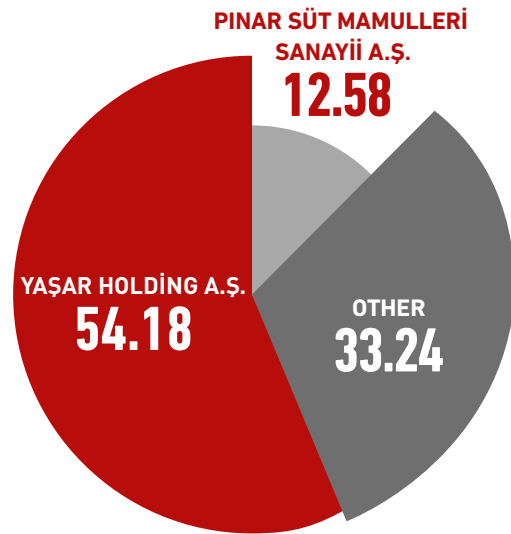
## EARLY DETECTION OF RISK COMMITTEE

NAME LAST NAME	POSITION
SEZAİ BEKGÖZ	CHAIRPERSON
KEMAL SEMERCİLER	MEMBER
FATMA DİLEK YARDIM	MEMBER
YILMAZ GÖKOĞLU	MEMBER



# Shareholding Structure

## SHAREHOLDING STRUCTURE (%)



Shareholders	Share Ratio (%)	Share Amount (TRY)
YAŞAR HOLDİNG A.Ş.	54.18	23,476,894.91
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	12.58	5,451,752.25
OTHER	33.24	14,406,352.84
<b>Total</b>	<b>100.00</b>	<b>43,335,000.00</b>

Pinar 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 Explanations section of the annual report.

# Pinar Et and 2021 at a Glance



Pinar Et continues its investments and growth.

**155** THOUSAND SALES POINTS  
SUPPLY FROM **6** REGIONS

**36** Years  
of Industry  
Experience

## Slaughtering and Processing Capacity

**102** thousand  
bovine animals

**408** thousand  
ovine animals

**1.8**  
million  
turkeys

The first private  
enterprise  
integrated meat  
facility

Production per  
the Turkish Food  
Codex and EU  
standards

Backward  
integration  
in turkey  
breeding

**350** PRODUCTS  
IN APPROXIMATELY  
**8** CATEGORIES

**50** thousand m<sup>2</sup> indoor,  
**259** thousand m<sup>2</sup> outdoor production area,

**33,329 tons**  
2021 Sales Volume

**54**  
New Products

TRY **74** million  
in Investments

TRY **1,117.6**  
Million  
Turnover



TRY **185.1**  
million  
Gross Profit

TRY **146.9**  
million Net Profit  
for the Period

TRY **4.1** billion  
Processed  
Meat Products  
Market Size

**75.5** million  
Number of  
Animals in  
Turkey  
(TURKSTAT)

**%17.5**  
Turnover Share  
in Turkish Processed  
Meat Market (Nielsen,  
excluding BIM)

**823** Average Number of Employees



## FINANCIAL PERFORMANCE IN 2021

(Million TRY)	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Net Sales	1,117.6	841.3
Gross Sales Profit	185.1	144.3
Gross Profit Margin	16.6%	17.1%
Net Profit	146.9	95.3
Net Profit Margin	13.1%	11.3%

(Million TRY)	31.12.2021	31.12.2020
Shareholders' Equity	1,302.7	781.3
Assets	1,839.2	1,107.0
Total Liabilities/Equity Ratio	0.41	0.42



Pinar Et, which has led the modern meat industry in Turkey since 1985, continues to support the industry's development by offering innovative products and services with its sustainability-focused efforts.

## Company Profile

Pinar Et has been offering health and taste to its consumers for 36 years. Since its establishment, the Company has been working decisively without compromising its responsible producer identity as Turkey's first private enterprise integrated meat facility. Pioneering the modern meat industry in Turkey with its many firsts, Pinar Et continues to offer the market innovative products and services on the strength of its superior R&D Center and technological infrastructure.

Directing its innovation efforts per changing consumer trends and living conditions, Pinar Et responds to all expectations and needs with its rich product portfolio. The Company meets nutrition, health, and flavor needs in the categories of delicatessen, frozen meat products, frozen bakery products, frozen seafood, frozen organic meat products, frozen vegetable-based products, canned meat products, and unprocessed meat products.

The Company continues its growth by adding new varieties to its extensive product portfolio annually. Pinar Et, which creates different segments with the new products it offers to the market, stands out as the company that sets industry trends. The Company, which produces its high-quality and health-oriented products for its consumers at hygienic production facilities, retains its leading position in the frozen meat, seafood, and delicatessen markets.

Pinar Et carries out production at modern integrated red meat, integrated turkey, processed seafood, and by-product production facilities equipped with state-of-the-art technology in line with the Turkish Food Codex and EU standards. The Company works with high brand awareness and reliability at the industry and consumer levels, producing in safe, healthy, and hygienic conditions using internationally recognized quality management systems in all its business processes. The Company, which does not compromise on its quality-oriented production approach, completes more than 50 different inspections required for Turkey and export markets every year.



Pınar Et works with Yaşar Birleşik Pazarlama (YBP), a Yaşar Group company, to ensure that its distribution activities match the level of excellence of all other business processes. The Company also responds to changing shopping habits with its e-commerce platform PınarOnline, enjoying the advantage of working with one of Turkey's largest cold and frozen product distribution chains with a nationwide distribution network. Pınar Et is also a well-known and reliable brand abroad, with products served in over 20 countries.

The Company sets its corporate strategy and goals for sustainable growth and strong economic performance with the understanding of forecasting and prudent management of economic, environmental, and social impacts. Furthermore, in line with Yaşar Group's principle of providing a better life for all its stakeholders, Pınar Et champions the arts, education, sports, the environment and sustainable life.



## Competitive Advantages

Pınar Et remains one step ahead of the competition with its vision of dynamic production leveraging technology and extensive experience with its responsible and reliable producer identity.

### STRONG BRAND VALUE

- Innovative and pioneering identity in the industry
- The brand featured on Turkey's Most Admired Companies List
- Among Turkey's most reputable institutions and brands

### QUALITY-ORIENTED PRODUCTION

- Over 300 SKUs
- Strong R&D Center
- Hygienic production at EU standards
- Well-established technical experience and industry knowledge
- Food safety and quality at all stages
- Production process confirmed by certification
- The first company in the meat industry to receive the TSE COVID-19 Safe Production Certificate
- Zero Waste Certificate

### WIDESPREAD DISTRIBUTION AND SUPPLY CHAIN

- The competence of Yaşar Birleşik Pazarlama, among the largest cold and frozen product distribution chains in Turkey
- Experience in marketing and distribution in foreign marketing
- International production and sales capability
- 155,000 sales points
- The synergy created by the joint distribution of milk and meat products
- Purchasing activities spanning six regions
- Sustainable cooperation with farmers
- Protection against risks with partial backward integration
- Direct access to consumers with the PınarOnline e-commerce platform

The true strength of Pınar Et lies in the consistency and continuity of quality and correctly positioned marketing and sales initiatives that respond to customer preferences and needs.









In 2021, the total turnover of Turkey's processed meat market grew by 25% to TRY 4.1 billion, and interest in healthy and ecological products increased.

## Industry Overview

According to the Turkish Statistical Institute (TurkStat) statistics on animal production, the total number of animals at the end of 2021 rose by 4.55% compared to last year to 75.5 million heads. The number of bovine animals was 18 million 36 thousand. The number of ovine animals increased by 6.3% compared to the previous year to 57 million 519 thousand. During this period, among ovine animals, there was a 7.2% increase in the number of sheep (TurkStat, Husbandry Statistics, December 2021).

### MEAT PRODUCTION

In 2021, the total turnover of Turkey's processed meat market grew by 25% compared to the previous year to TRY 4.1 billion. Growth in tonnage terms was 3%. By volume, the processed meat products market consisted of 31% salami, 21% sausage, and 41% soudjouk products (Nielsen, Turkey excluding BİM). During the year, the market witnessed a 20% growth in tonnage and a 43% growth in turnover, especially in the salami segment (Nielsen, Entire Turkey, 2021).

The number of slaughtered turkeys was 5.1 million, with turkey meat production at 51,301 tons (TurkStat, 2021, Poultry Production, December 2021).

### CHANGING CONSUMPTION HABITS

As in all sub-categories of the food industry, lifestyle changes, the rise in healthy and immune-boosting nutritional trends, and awareness of sustainability and the environment have brought about changes in the meat industry. New trends have emerged together with these lifestyle changes. In addition, vegetarian and vegan diets have become increasingly popular in many developing countries for health and ecological reasons. In 2021, consumers were observed to lean towards high-quality and immune-enhancing diets.

While the demand for organic and healthy nutrition increased, there was a simultaneous rise in dietary habits involving



vegetable-based protein and animal protein sources. In terms of grocery shopping, consumers began to pay more attention to the price and quality of the product in their purchasing decisions and preferred stores (online/offline) that provide the most significant cost advantages. The brand's sensitivity to the environment, animal rights, and equality have become a significant criterion for consumers when it comes to brand selection (Growth from Knowledge: Behaviour Change Report, June 2021).

With the increase in time spent at home due to the pandemic and the transfer of consumption to a domestic environment, households' domestic spending increased by 37% compared to the previous year. The number of meals cooked at home increased by 40% due to restaurants' closure and hygiene concerns. While preserving traditional flavors, different alternatives of these flavors that can be prepared quickly were offered to consumers. While the channels, including online shopping, grew their share in shopping preferences that changed with the pandemic, decreases were observed in the percentile that includes grocery stores (Ipsos Turkey Barometer, 2021)

### INCREASE IN E-COMMERCE SALES

Due to the COVID-19 pandemic, e-commerce sales, which grew by 25.7% worldwide in 2020, further increased their growth rate in 2021. Due to the impact of the pandemic in the first quarter of 2021, home deliveries increased worldwide by 37% compared to the previous year, and takeaways by 8%.

Four out of every five individuals worldwide used e-commerce due to the impact of the pandemic (TÜBİSAD Transformative Power of the Economy: E-commerce Impact Analysis 2020 Report). Consumers increasingly started to prefer online channels to meet their everyday needs in Turkey. As consumers turned to bulk shopping through e-commerce channels, it was observed that fewer daily purchases were made (Nielsen Shopper Shifts to a New Normal Report, 2020 Turkey).

The e-commerce volume in Turkey, which reached TRY 226.2 billion in 2020, reached TRY 161 billion in the first six months of 2021, marking a 75.6% rise compared to the same period of the previous year. Regarding distribution in the industry, the food and supermarket segment, which witnessed a two-fold increase in credit/debit card transactions, was the fastest-growing segment at TRY 6.18 billion (Ministry of Commerce – ETBIS Data for the First 6 Months of 2021).

### FOOD AWAY FROM HOME CONSUMPTION CHANNEL

The negative impact of the pandemic on tourism began to decrease in 2021. As of the end of 2021, tourism revenue amounted to USD 24,482,332,000, an increase of 103% compared to the previous year (TURKSTAT, Tourism Statistics, December 2021). The contraction experienced in the Food Away from Home Consumption Channel is expected to decrease with the resumption of face-to-face education and the transition to controlled social life.





Pınar Et, which continues to lead the total processed meat market with a turnover share of 17.5%, maintained its leadership of the industry with production that employs the latest technology and focuses on quality in all its processes.

## Activities of 2021

Pınar Et has a slaughtering and processing capacity of 102 thousand bovine animals, 408 thousand ovine animals, and 1.8 million turkeys within the scope of its activities in a 50 thousand m<sup>2</sup> indoor and 259 thousand m<sup>2</sup> outdoor area. In 2021 the Company offered a total of 350 products in eight categories. Pınar Et maintained its leadership position in 2021 across numerous categories it produces into international standards. The Company concluded the year with a 17.5% turnover share of the overall processed meat market, compared to its closest competitor's 10.9% share (Nielsen, 2021, excluding BİM).

In 2021, Pınar Et achieved a sales volume of 33,329 tons and a turnover of TRY 1,117.6 million. Turnover grew by 32.8% compared to the previous year. Achieving a gross profit of TRY 185.1 million, the Company ended the year with a net profit of TRY 146.9 million. And with a fixed asset spend of TRY 74.0 million, Pınar Et's 2021 capacity utilization rate was 72%.

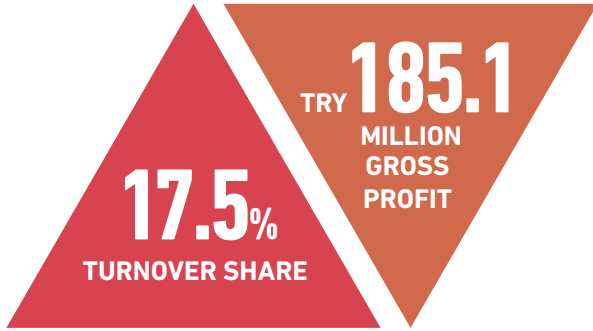
Benefiting from state incentives and related tax advantages per the "Implementation and Audit Regulation on Supporting Research and Development Activities," the Company also received incentives within the scope of the Turquality project implemented by the Undersecretariat of Foreign Trade to brand Turkish products abroad and establish the image of Turkish goods.

### INTERNATIONAL MARKET STUDIES

Pınar Et, which exports to over 20 countries, also entered the markets of Australia, Kazakhstan, Georgia, and Canada in 2021, generating export revenue of USD 4.3 million.

Pınar Et's leading export markets include the UAE, Kuwait, Qatar, Bahrain, the United States, Germany, Iraq, Azerbaijan, and the TRNC.





Pinar Et continues to effectively serve global markets with its product categories that include Turkish and global flavors. The brand is mainly preferred by consumers in foreign markets for its qualified delicatessen products made from turkey meat and its pastry varieties from among the traditional flavors of Turkish cuisine.

Pinar Et offers plant-based protein products to consumers worldwide under the Pinar brand, having become a full-fledged protein source company with its products in this category. Falafel, Veggie Bites and Onion Rings are among the most significant of these products.

#### 16 New Export Products

Adding frozen bakery product varieties to its product range in the United States market in 2021 after seafood and vegan products, Pinar Et continued to develop its commercial relations with that market in terms of export volume.

Having conducted various product studies, Pinar Et has been offering traditional tastes of Turkish culinary culture to all export markets, especially the Gulf countries, since 2020.

#### PINAR ET'S PRODUCTION FACILITIES

The Company continued its operations in 2021 to increase the sales of modern presentations of these products in the frozen format. As a result of innovation efforts that consider the needs of foreign markets, Pinar Et developed 16 new export products during the year and introduced them to the relevant markets.

##### 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)

##### Integrated Turkey Production Facility:

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

##### Processed Seafood Facility:

- Frozen fish balls, natural seafood
- By-Products Production Facility
- Feed raw materials

#### FUTURE GOALS

Continuing to deliver high-quality and delicious meat, bakery products, and plant-based products to its consumers without interruption, Pinar Et aims to improve its status as a supplier to globally renowned food retailers by adding new brands to its portfolio.





## Investments

TRY **74**  
MILLION  
TOTAL INVESTMENT  
AMOUNT IN 2021

The Company changed its investment route to developing its e-commerce sales channel with the shift in consumer shopping habits, making a total investment of TRY 74 million during the year in automation and modernization.

In line with the concepts of "innovation" and "change," which have an important place in corporate culture, by and by advancing its technology and know-how, Pinar Et continued to make investments responding to changing sectoral conditions. The Company focused on digitalization efforts and ongoing renovation and modernization investments at its production facilities, making a total investment of TRY 74 million during the year.

### Main Investments in 2021:

- E-commerce Platform Investment
- Sliced Products Production Line and Automation Line Investment
- Delicatessen Line-End Packaging Automation
- Cooking Ovens Modernization Investments
- Sausage and Salami Filling Line Investments

In 2021, Pinar Et invested TRY 3,971 thousand in buildings, TRY 61,541 thousand in machines, TRY 2,066 thousand in vehicles, TRY 3,588 thousand in fixtures, TRY 835 thousand in rights, and TRY 1,961 thousand in R&D studies.

### DIGITAL PLATFORM INVESTMENT: PinarOnline

The volume of e-commerce, on the rise due to the increased use of mobile communication tools and individual Internet penetration, has made rapid progress since purchases began to be predominantly made online during the pandemic. In light of these developments, Pinar Et rapidly continued its e-commerce sales channel activities initiated the previous year. With the completion of work on the identification and



development of products to be sold through e-commerce, and the creation of e-commerce information systems infrastructure and the distribution model, the Company has started to provide services through the PinarOnline platform.

Providing customers with the convenience of shopping on an online platform, PinarOnline is strengthening its structure daily to provide consumer solutions through

cargo and courier delivery options that expand its delivery network while reflecting its commitment to sustainability.

### 2022 Investment Targets

Pinar Et, which will continue its automation, modernization, and data processing activities in 2022, continues to work towards completing and implementing internal projects in this direction.





Pinar Et's R&D team provided quality, efficiency and cost advantages with their work in 2021 having implemented new projects by evaluating application areas in parallel to research findings

## R&D Studies

54

NEW PRODUCTS  
INTRODUCED

The Pinar Et R&D Center, which keeps abreast of scientific and technological developments and innovative approaches in the industry, developing projects accordingly, carried out activities throughout 2021 that advance the industry's innovativeness.

Participating in congresses, seminars, and symposiums to increase university-industry cooperation and track scientific developments, the R&D team followed innovations in the food industry through available databases and publications and the Company's internal R&D Bulletin, adapting to current trends. Carrying out projects in 2021 in line with its future projections, the R&D Center continued its patent/utility model studies to protect the Company's intellectual and industrial property rights.

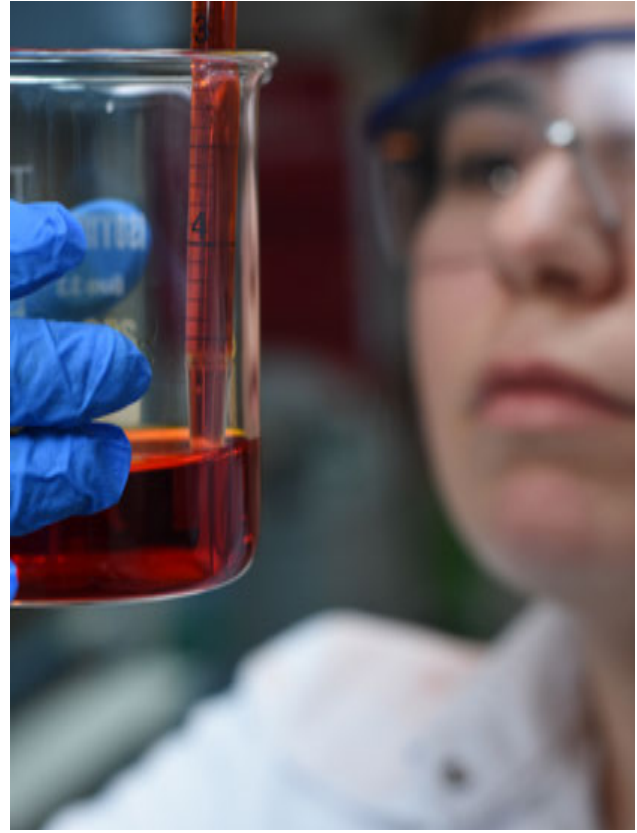
### **In 2021, the Pinar Et R&D Center will develop projects in the following categories:**

- New product development
- Existing product improvement
- Product cost improvement
- Alternative raw material development
- Creating supplementary food additives
- Packaging material works
- TÜBİTAK projects
- Shelf-life extension works
- Reduction of the use of imported ingredients
- Reduction of food additives

The project works within the framework of the Universities and TÜBİTAK 1501-Industry Research Technology Development and Innovation Projects Support Program continued in 2021.

**In 2021:**

- Fifty-four new products, 27 explicitly developed for e-commerce channels, were introduced.
- Patent applications were filed for two inventions.
- The Company continued to work on developing products that boost the immune system in line with the rising healthy and natural nutrition trends across the world.
- Studies on the development of plant-based products that will meet the daily protein requirement were also carried out during the year to offer an alternative protein source. The Company's 'Planty Power Burger' product is set for an introduction to consumers in the first quarter of 2022.
- Developmental efforts continued on milk-based and protein-rich functional snack products, which can be readily consumed.
- With the establishment of automation lines, a process in which R&D plays a significant role, the Company improved efficiency and contributed to Industry 4.0.
- Approximately 57,840 kg less plastic and 31,170 kg less paper were used by optimizing existing packaging materials. In this way, the Company saved about TRY 1 million.



The CO<sub>2</sub> emissions were reduced by 253 tons, including 177 tons through plastic and 76 tons through paper reduction. Thanks to the paper-reduction, 530 fewer trees were felled. Similar studies aimed at controlling and minimizing environmental impact processes will be expanded and continued in 2022.

- Regarding efforts to identify alternative supplier companies, 15 such companies, including 11 alternative suppliers for 52 packaging materials and four alternative suppliers for four food additives, were added to the system. This saved the Company approximately TRY 2.6 million.
- As a result of the academic studies carried out within the R&D Center, a review article titled "Application of Plant-Based Edible Film and Coatings for Minimally Processed Fruits and Vegetables" was published in the Turkish Journal of Agriculture - Food Science and Technology in 2021. A research article titled "Investigation of the Supportive Therapy Potential of Propolis Extract and Lactobacillus Acidophilus LA-5 Milk Combination Against Breast Cancer in Mice" was published in the Cytokine Journal. The review article titled "In Vitro Meat Production and Its Nutritional Value" was published in the Sinop University Journal of Natural Sciences, and the research article titled "Mathematical Modelling of the Vacuum Ohmic Evaporation Process" was published in Innovative Food Science and Emerging Technologies.





Pınar Et maintains high-quality requirements in its product and production processes and supplier selection processes.

## Strong Cooperation with Suppliers

With long-standing relations with hundreds of suppliers from every region of Turkey within its operations, and in step with its health and quality-oriented business approach, Pınar Et periodically monitors its suppliers, helps them make improvements, and organizes training programs that support their development. The company also contributes to the growth of its suppliers with its expanding business volume.

Supporting domestic production, Pınar Et meets the demand for meat with live animals purchased from numerous domestic breeding farms in different regions of Turkey. The Company continues its efforts to expand its purchasing area. Believing that safe and hygienic production requires reliable business partners, the Company pursues its supply policy accordingly.

### COOPERATION WITH ÇAMLI YEM BESİCİLİK

Pınar Et purchases all of its live turkeys and some of its cattle from Çamlı Yem Besicilik, a Yaşar Group company operating in the agriculture, husbandry, and fisheries industries. In addition, the Company produces beef from cattle fed with the latest technology fattening rations at its bovine farm. It carries out slaughtering operations with modern technological methods at its facilities that meet international standards. With the inspections they perform, specialist technical staff work in the field to promote the breeding of the best quality bovine stock.

### SUSTAINABLE SUPPLY SYSTEM

Pınar Et works with suppliers that comply with the principles of Food Safety, Quality, Environment, Occupational Health and Safety, and Energy Management Systems to protect the quality of raw materials and services and with the sustainability understanding of Yaşar Group. In selecting suppliers, 'sustainability' is a prominent factor, along with other criteria such as compliance with procurement rules and laws, the use of legal inputs, compliance with animal welfare, infrastructure, experience, and capacity.





Monitoring and supporting the sustainability practices of its suppliers, with its Supplier Principles Guide, the Company sets out the standards to be followed and the values to be adhered to. In this context, the Company ensured that all its suppliers in the value chain comply with the "Pinar Et Supplier Principles Guide," which includes the Company's corporate sustainability approach and principles. As the next step, Pinar Et initiated the determination, target setting, and monitoring of energy, fuel, and water expenditures for small and medium-sized suppliers lacking sustainability measures and reporting. In 2022, the Company plans to have its suppliers generate base-year data to determine their current status and set reduction targets for the following year.

In 2021, the Company made efforts to add sustainability criteria to its evaluation system and transitioned to system integration. While many audits were carried out online during the year due to the impacts of the pandemic, the audits were performed without interruption. Thanks to the information network it established, Pinar Et continued to inform its suppliers about possible developments and innovations in the industry. The Company is working on implementing innovations as a priority with the quality and innovation circles it organizes.

As part of its Supplier Evaluation System, Pinar Et's current and potential suppliers are subjected to on-site and detailed periodic inspections by a team of experts. According to the established criteria, suppliers are evaluated by scoring between 0-100. With the audits, the aim is to supply quality and reliable raw materials and deliver healthy and safe food to consumers. If those suppliers that offer working potential comply with the criteria, collaborations are initiated. Collaborations with existing suppliers are developed if they are found to be suitable following audits.





Pinar Et, which presented 54 new products to its consumers in 2021, stands out in the market with original varieties developed specifically for various sales channels.

## Pinar Et Products

### DELICATESSEN

Soudjouk  
Salami  
Sausage  
Ham Smoked Meats  
Roasting  
Pastrami

### FROZEN MEAT PRODUCTS

Burger  
Meatball  
Coated Meat Products

### FROZEN ORGANIC MEAT PRODUCTS

Organic Burger

### FROZEN BAKERY PRODUCTS

Pizza  
Puff Pastry  
Manti  
Borek  
Boyoz

### FROZEN SEAFOOD PRODUCTS

Shrimp  
Kalamari  
Anchovy, Sardine, and Whiting Products  
Breaded Seafood Products

### OTHER FROZEN PRODUCTS

Falafel  
Vegetable  
Patties Cheese Croquettes  
Onion Rings

### UNPROCESSED MEAT PRODUCTS

Unprocessed Turkey Meat  
Unprocessed Beef and Lamb

### CANNED MEAT PRODUCTS

Canned Turkey Fillet











Pınar Et, which presented 54 new products to its consumers in 2021, stands out in the market with original varieties developed specifically for various sales channels.

## Innovations for Changing Trends

Continuing efforts to provide appropriate solutions to changing consumer needs, Pınar Et further enriched its portfolio in 2021 with 54 new products. These included 5 for retail, 27 for e-commerce, 3 for private customers, 16 for export, and 3 for out-of-home channels.

### Gourmet Extra Burger

Pınar Et presented its Gourmet Extra series for consumers who love gourmet flavors. In addition to the Gourmet Extra 110 g product, Gourmet Extra Smoked, Cheddar, and Spicy Burger met with consumers seeking different tastes.



### Special Products for PınarOnline

Pınar Et offered gourmet flavors and different alternatives, especially for the PınarOnline e-commerce channel, which it launched in 2021. In addition to the flavors offered considering consumer needs, the Company also added practical packaging alternatives to its portfolio.

The Company developed 27 new products for the e-commerce channel, including beef, turkey, and delicatessen products under the Pınar Kasap brand. Niche products such as Pınar Kasap T-bone Steak, New York Steak, Baby Ground Beef, Beef Frankfurter Sausage, Smoked Beef Ribs, and Dana Bacon were offered for sale in the beef category.



Marinated and sauced products such as Turkey Fillet Cubes, Turkey Tenderloin Fillet, and Spicy Turkey Fillet Cubes were offered for sale in the turkey category.

### Special Products for the Export Channel

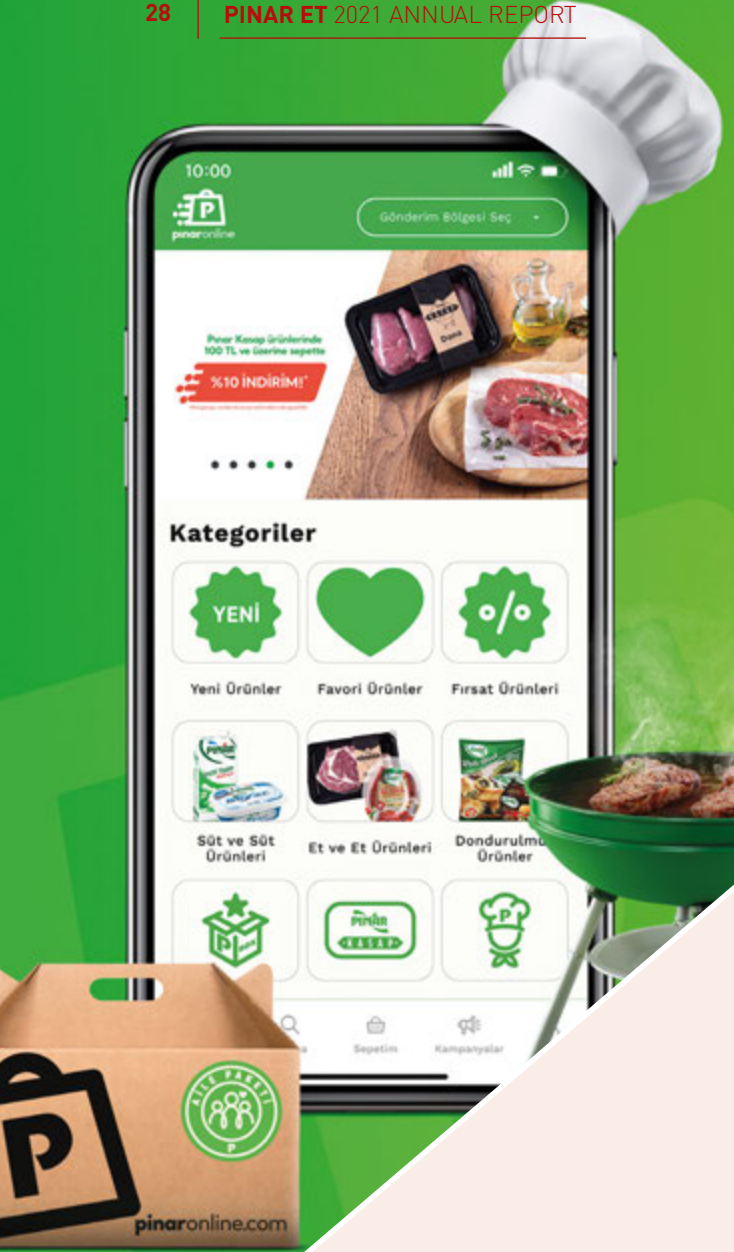
Continuing to develop new flavors in the plant-based products category, the Company expanded by adding the new Onion Ring 400 g product to Falafel and Veggie Bites products. It also began shipping to the American market in 2021.

Three new products were introduced to consumers in the delicatessen category. To meet the rising demand for packaged and sliced products with the pandemic, the 110 g Gourmet Smoked Turkey Breast with Black Pepper product was added alongside the 110 g Gourmet Smoked Turkey Breast product as a new flavor. The Catering Chicken Salami 700 g product produced to respond to the requirements of the Iraqi market was introduced to the market. The Aç Bitir Turkey Salami Big Slice 60 g product was again offered to consumers with its special packaging for Iraq and Azerbaijan.









Pinar Et launched the PinarOnline platform in 2021, adding value to the lives of its consumers with innovative products and new sales channels.

## Pinar Et Consumers and Customers

As a result of lengthy research and analysis, Pinar Et continued to develop products in 2021 aimed at 'health' and 'quality' to meet the needs and tastes of consumers of all ages. The Company offered consumers a wide range of frozen and canned products and developed delicatessen products, including meat, bakery products, and seafood. In addition to its strategy of focusing on value-added products, Pinar Et also implemented its sales plans for new products and channels. In 2021, delicatessen products again accounted for the largest share of sales by product group at 66.9%.

Developing new products for the changing needs of different sales channels, Pinar Et increased its effectiveness and influence in the overall market by positioning its brands correctly by channel. The Company maintained its brand value with communication activities that spark positive emotions among consumers and customers.

### E-COMMERCE & PinarOnline

In line with today's world, where shopping from e-commerce sites has become part of our daily routine, the PinarOnline e-commerce platform was launched in 2021 to establish the digital presence of the Pinar brand.

In addition to existing Pinar products, products and services developed specifically for the PinarOnline platform contribute to the Company's innovative vision and consumer-oriented brand identity. At PinarOnline, consumers have the opportunity to enjoy a practical and advantageous shopping experience with Pinar Box, and gourmet tastes exclusive to the online platform with Pinar Kasap, and delicious recipes with Pinar Chef.



The +4 ° / -18 ° product groups ordered on PinarOnline are delivered to consumers by appointment delivery in selected districts of Istanbul, Izmir, and Ankara, whereas the product groups that do not require cold chain handling are delivered across Turkey by cargo. The Company aims to expand the PinarOnline delivery network and actively operate in more cities.

Pinar aims to reach a wider audience with the PinarOnline platform, the product range of which it plans to expand in an innovative and trend-oriented manner based on consumer insights and behavior. In this context, the Company aims to increase customer loyalty to the platform by expanding the Pinar Box category, which offers different concepts and advantageous prices. The Company aims to become a digital chef under the Pinar Chef concept, where consumers can shop and access various practical recipes with a recipe concept in line with ever-changing trends. Güzel Yaşa magazine, published since 2017 under the sponsorship of Pinar Et, is a booklet created with unique content specific to PinarOnline,

and it is brought to customers together with their deliveries at specific intervals.

The sustainability approach central to all business processes of the Pinar brand is also displayed in the operations of PinarOnline. Offering environmentally friendly options at each step, from packaging to logistics, PinarOnline aims to become a consumer-oriented and environmentally friendly brand with a 100% electric delivery network and a solid technological infrastructure by 2025.

## BRAND COMMUNICATION STRATEGY

Pinar Et focused on increasing the awareness of its product groups, strengthening its brand image, and promoting its new products through campaigns and promotions in 2021. The delicatessen category, which claims an increasing share of the industry's turnover amid intense competition, stood out in communication efforts. Diverse communication activities on social media accounts were carried out periodically throughout the year and on special days such as New Year's Eve.

The communication activities in 2021 in the frozen products category focused on Burgers and Canned Turkey. Advertising films met with followers on digital platforms.

Television and social media announcements for Pinar Et's new digital business model, PinarOnline, were successfully made, mainly on digital platforms.

Focusing on recipes and product communication on social media to ensure that consumers engage with the brand during the time spent at home, Pinar Et strengthened its bond with consumers during the pandemic. Consumer communication continued with small competitions held on social media accounts. The timing of the broadcasts and posts encouraged consumers to buy products by reminding them before shopping.

### Events Participated in 2021

- Gulfood 2021 / February 21-25
- Seminar on the Importance of Carbon Footprint for Business / June 8
- Urla'da Doğaya Koş / June 21
- 7<sup>th</sup> Ayvalık Music Festival / August 10-19
- Anuga Fair / October 7-11
- 7<sup>th</sup> Sustainable Food Summit / October 19-20
- 5<sup>th</sup> Aegean Economic Forum / November 8-12
- Sustainable Consumption of Food, The Effectiveness of the Role of Stakeholders in Creating Behavior Change in Consumers / 17 December

## THE PINAR COMMUNICATION CENTER

With the Pinar Communication Center (PCC), which customers from all over Turkey can reach via the phone number **444 76 27**, we continue to work under the principle of "Our Consumers and Our Customers Come First." The PIM operator answered calls for complaints, suggestions, information, criticism, and thanks generated from products and products-related services and sent them to the PCC between 07.00 - 23.00. The PCC's requests and suggestions are meticulously examined and considered within the Company. Any feedback received is recorded and answered within the Law on Protection of Personal Data.

Unresolved complaints are directed to the relevant units, and the entire complaint management process is followed from start to end.

According to 2021 data, the successful call reception rate of the PCC was 81.88%, while the customer satisfaction rate was 84.57%. The PCC can also be reached at the addresses [twitter.com/InfoPinar](https://twitter.com/InfoPinar) and [facebook.com/PinariletisimMerkezi](https://facebook.com/PinariletisimMerkezi). Meanwhile, the PCC also examines and resolves requests and suggestions received via social media with its official Twitter and Facebook accounts, providing consumers with the fastest response.

### "Accessible Communication Line" from the PCC

To provide full service to all its consumers, Pinar uses the free "Accessible Communication Line" application for visually and hard-of-hearing individuals via the PCC. The PCC provides services to visually and hearing-impaired individuals between 07.00 - 23.00 hours seven days a week, thanks to the application implemented to facilitate the lives of visually and hard of hearing individuals in Turkey. Consumers can reach an operator by calling the **444 76 27** phone number of the Pinar Communication Center and the call service number reported to the Associations of the Visually Impaired in Turkey. Visually and hard of hearing individuals can receive audio-visual support by showing products to the operator. In the same way, they can access information on the details of product content and products and get answers to questions that may have, such as the expiry date.



## EFFECTIVE DISTRIBUTION NETWORK

The most effective channel in the sales of Pinar Et products, Yaşar Birleşik Pazarlama, a Yaşar Group company, maintained its significance with a 75% share of sales in 2021, while the share of the direct channel was 22%. The export channel had a 3% share.

Yaşar Birleşik Pazarlama (YBP), delivering Pinar Et products to 155,000 sales points with six Regional Directorates and over 100 dealers in the freshest, healthiest and fastest manner, provides services with its specialized and experienced organizational structure and a fleet of over 1,200 vehicles. YBP plays an essential role in maintaining the market leadership of Pinar branded products thanks to its widespread and effective distribution network. Yaşar Birleşik Pazarlama, which constantly updates and monitors its operations with state-of-the-art software systems, continues to train its team and business partners regularly to improve sales skills and continuously report service results.





Pinar Et, which does not compromise on its “People First” approach, undertakes outstanding works with a qualified, creative, innovative, motivated, and high-performing workforce in step with its effective human resources strategy.

## The Pinar Et Family

### HUMAN RIGHTS AND EMPLOYEE RIGHTS

Pinar Et, a member of the Yaşar Group, manages its human resources policy to employ an innovative, highly motivated, and highly performing qualified workforce and increase its workforce’s commitment to sustainability. In the Yaşar Group, every candidate is given equal opportunity without discrimination based on nationality, language, gender, age, marital status, etc. Pinar 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 resource processes such as recruitment, remuneration, performance evaluation, promotion, assignment, training, and development.

The Company continues its activities to prepare a Human Rights and Employee Rights Policy with a commitment to full compliance with internationally accepted principles such as the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Women’s Empowerment Principles, ILO Conventions as well as the legal framework and regulations governing the human rights and the operation of corporate life in Turkey. The objective is to spread this to all business partners with the development of the policy. All these principles are included in the Business Ethics Guidelines as company policies and the collective bargaining agreements of the companies and are also made public on the corporate website.

Pinar Et brings together educated and experienced individuals who are people-oriented, who adopt knowledge sharing as a principle, value the spirit of unity, are open to all scientific developments, and have participatory management and a success-oriented work approach. The Company does this to strengthen and develop its human resources based upon the criteria of knowledge, skill, and experience required by the position, reflecting the principle of “science, unity, success.”

While organizing various training activities to ensure employee satisfaction and loyalty, the Company supports the participation of its employees in training activities to foster their personal and professional development. Moreover, 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 and development and mentoring provided within the Group.

As a member of the Yaşar Group, Pinar Et pays maximum attention to corporate standards and practices related to human rights, equality, career development, and occupational health and safety. The Company’s Occupational Health and Safety Policy is based on the philosophy that physical protective equipment and employees’ personal and social activities and development ensure occupational health and safety. The policy is shared with all employees, and the Company provides regular



training to raise awareness and inform employees about occupational health and safety.

Pinar Et organizes training programs to inform and raise awareness among its employees about environmental, social, and governance criteria, and the Group's vision of sustainability is shared with all employees.

Pinar Et continued its in-class training in 2021 in line with its core business policies and strategies and conducted online training sessions on digital platforms. The company provided 823 employees with 15,462 hours of training during the year. With the Yaşar Group's "Our Consumers and Customers Come First" approach, sign language training titled "Accessible Call Line" was provided to hard-of-hearing employees of the Pinar Communication Center.

## A HEALTHY AND SAFE WORKING ENVIRONMENT

In parallel to the value it places on its human resources, Pinar Et primarily aims to provide a healthy and safe working environment. In fulfilling its legal obligations, inculcating a culture of safety within the Company forms the basis for creating a safe and healthy working environment within Pinar Et. In this context, the Occupational Health and Safety Committee, which was established with the participation of all process managers to carry out occupational health and safety activities effectively, continued its work in 2021.

With risk analysis, Preventive plans for occupational accidents and diseases that may occur were prepared and implemented within the Company with the participation of employees. Through active control mechanisms, efforts to eliminate or minimize unsafe situations and actions that could cause occupational accidents continued.

- Working conditions were frequently reviewed with periodic inspections in 2021. Once any problem was detected, measures were taken and processes kept under control without loss of time. Drills were held to prepare for emergencies and raise employees' awareness levels.
- After the inspections carried out in 2021, the TSE COVID-19 Safe Production Certificate was successfully renewed. Fire measurement and HES code checks were carried out at factory entrances with thermal cameras in this context. While disinfection was applied daily in all areas within the factory, regular mask, and disinfectant distribution was also ensured. To protect employees and take necessary measures, the vaccination rate was increased by constantly informing and monitoring employees on vaccination practices. Reducing occupancy rates by changing factory arrival and departure times and halving service vehicle capacity continued.
- To prevent the spread of the virus and raise awareness, videos were broadcast on all televisions and information screens located on the premises throughout the year as part of COVID-19 measures, and employees were provided training on those measures.
- Occupational Health and Safety training was provided to all employees by Occupational Health and Safety Specialists

and Workplace Physicians.

- The employees' health status, ideas, suggestions, and opinions were monitored daily with the "Health Survey" performed on the digital platform.
- Awareness-raising and information activities were carried out utilizing brochures, posters, and announcements during Breast Cancer Awareness Month.


Holding the ISO 45001 Occupational Health and Safety Management System certificate, Pinar Et regularly reviewed its Occupational Health and Safety Policy and targets, depending on changing conditions. Having taken all necessary precautions to achieve "Zero Work Accidents," the Company continued to canvass employee opinions and improve the current system at Occupational Health and Safety Committee meetings in 2021. 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.

## BASIC HUMAN RESOURCES POLICY

- Business economy criteria determine personnel positions within the Company. Rich candidate pools are created for all new positions.
- Orientation programs swiftly ensure the adaptation and compliance of new employees with the Company and their duties.
- Internal and external training programs are implemented within the planning framework established for all employees to meet their needs and ensure continuous development.
- Equality of opportunity is observed among employees in promotions and appointments within the organization.
- The performance evaluation of personnel is based on their goals and competencies.
- Job descriptions and performance standards are documented for each position from top to bottom.
- Within the Occupational Health and Safety Regulation framework, legal measures prevent occupational risks, protect health and safety, and eliminate risk and accident factors.
- The Company management style is defined as "maintaining our existence as a Company that acts per the law and ethical rules and adopts the total quality philosophy and participatory management style."
- All processes within the Company are carried out within the framework of Pinar Et's Corporate Values and Ethical Rules, the Labor Law, Legislation, and Company Regulations.
- Legal measures are taken for all documents obtained by Pinar Et.

Pinar Et's Collective Bargaining Agreement with Tek-Gıda İş Union for the period covered the term from January 1, 2020, to December 31, 2021.





Pinar Et contributes to the protection of the ecosystem with initiatives focused on energy consumption, climate change, water use and wastewater, material use and waste generation, health and safety, and social benefit.



## Sustainability Approach

The sustainability strategy of the Yaşar Group aims to take care of all stakeholders and provide them with a better life. Pinar Et conducts its activities in line with commercial objectives determined by a science-based, quality-oriented business approach to meet the needs of society. These efforts serve the Sustainable Development Goals. In line with the Yaşar Group's Sustainability Policy, sustainability approach, and priorities, Pinar Et manages sustainability by determining its strategies and objectives to develop the industry itself. The Company reflects the Group's understanding of "taking good care of all its stakeholders for a better life" in its processes, from supply to sales. Pinar Et, which closely follows developments related to the climate crisis, considers this crisis a significant risk that bears socio-economic consequences and environmental impacts.

Continuing efforts to reduce its carbon footprint and energy density through risk assessments performed across the value chain, the Company observes the balance of natural resource use and protection in line with its awareness of the ecological footprint, primarily carbon and water. The information on and data of Pinar Et are included in the reports prepared based on the essential criteria of the Global Reporting Initiative (GRI), where Yaşar Holding has been sharing its sustainability performance with the public since 2009, having signed the United Nations Global Compact (UNGC) in 2007. The Yaşar 2020 Sustainability Report, which also includes Pinar Et's data, and all Sustainability and Global Compact Reports of the Yaşar Group, can be accessed in the Sustainability section of Yaşar Holding's website ([www.yasar.com.tr](http://www.yasar.com.tr)).

The Climate Crisis Working Group and Gender Equality Working Group were established under the Sustainability Committee, which was expanded by increasing the representation of Yaşar Group companies. Yaşar Holding's Sustainability Committee meets every two months, the Climate Crisis Working Group meets every month, and the Gender Equality Working Group meets every two months to share the practices of Group companies. In the Committee and working groups, the goal is for all companies to act together to develop projects in a focused manner, with representatives monitoring the targets. Yaşar Holding's Board of Directors ensures that companies carry out their sustainability works within the Sustainability Committee's priorities and leads the implementation of its Sustainable Development Policy.

Pinar Et, a subsidiary of the Yaşar Group, also continues to carry out sustainability studies. It does so within the framework of the priorities set in coordination with the Sustainability Committee, established with the participation of the Company's employees and the Climate Crisis Working Group and Gender Equality Working Group under the Committee. The Committee and working groups work towards implementing the strategies, achieving the objectives, and disseminating the sustainability approach throughout the Group. The Pinar Et Sustainability Committee, responsible for executing Environmental Social 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 the targets and work on coordinating the annual sustainability report.





As a requirement of the Yaşar Group's holistic sustainability approach, the Company continues its efforts 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 it interacts with beyond its corporate structure, operation, and products. The Company continues to take actions according to the targets set out rigorously for each area in its sustainability studies. It expands its field of influence by sharing these studies with its suppliers and including suppliers in these studies. By adopting the policy of "managing the environmental, social and economic impacts of products and services throughout the life cycle and promoting good practices," the Company's supplier policy aims to develop and strengthen the solid bond established with stakeholders on the supplier map.

Within the scope of Pinar Supplier Principles, the aim is to contribute to a sustainable future by selecting suppliers and business partners, which are among the most critical parts of the value chain, within the framework of Environmental Responsibility, Commercial Integrity, Fair Working Standards, Human Rights and Compliance with Laws. Focusing on the Yaşar Group's sustainability approach, Pinar Et continues its operations by updating the Sustainability Committee and its Economic, Social, Environmental, and Climate Crisis working groups with volunteer employees, establishing the Gender Equality working group in 2021. Continuing its improvement works of 2021 with its Sustainability Committees to increase efficiency in production operations and energy consumption, Pinar Et plans to maintain efforts in line with these objectives in 2022. With Yaşar Holding's signing of the Business Plastic Initiative in 2019, Pinar Et set plastic reduction targets in 2021 and continues to work on plastic reduction, recycled plastic use, and the recycling of plastics it uses. In addition, the "Yaşar Sustainability Competition," organized for the first time in 2016, as well as the "Yaşar Sustainability Day,"

the first of which was held in 2018, and various projects and training programs implemented during the year ensured that sustainability awareness is established and disseminated among all Group companies and Pinar Et employees.

## SUSTAINABILITY EFFORTS

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

Climate crisis and gender equality issues, which Yaşar Holding prioritizes within the scope of its sustainability approach, are also the priorities of Pinar Et.

## ENVIRONMENT-ORIENTED EFFORTS

Acting in compliance with legal requirements as part of its Environmental Management System, Pinar Et operates to protect the environment and reduce pollution. The Company successfully passes regular annual inspections by certification bodies, legal authorities, and customers.

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

## WATER AND ENERGY MANAGEMENT

Prioritizing environmental protection and the reduction of pollution in all its activities, Pinar Et continues its operations in compliance with legal obligations. With its awareness of the importance of water resources, Pinar Et, which aims to conduct production operations with "less energy, less water, and less waste," designed and published its "Water Policy" that includes Company commitments to correct water consumption. 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 develops projects to accelerate improvement efforts and raise awareness regarding environmental and water-related issues. Pinar Et continues to measure and monitor water consumption at all its facilities.

Implementing the TS EN ISO 14001 Environmental Management System and TSE EN ISO 50001 Energy Management System, Pinar Et continued to work on measuring and monitoring its water consumption at all facilities throughout 2021.

Pinar Et, which also creates new investment projects to curb energy consumption, plans to invest in solar power in 2022.

## CARBON DISCLOSURE PROJECT (CDP)

Pinar Et reports its Climate Change and Water Safety performance annually to the CDP. This international non-profit organization provides the most widely accepted platform

for companies and cities to measure, explain, manage and share important information about their environmental performance and climate change strategies. Accordingly, the Company was included in the "Management" level in 2021 and rated grade B in the field of water safety and grade B- in the field of climate change.

## CARBON AND WATER FOOTPRINT CALCULATION

In 2021, the Company's carbon footprint increased by 2.71% compared to the previous year, while the water footprint increased by 2.3%. The production amount and the pandemic were effective in these increases. The Company aims to reduce its water footprint by 5% by the end of 2022, 10% by 2023, and 15% by 2030.

The Company's greenhouse gas inventory was measured as 25,184,000 kg of CO<sub>2</sub>/year in 2020 and 26,201,000 kg of CO<sub>2</sub>/year in 2021.

The greenhouse gas intensity was calculated as 0.627 tons of CO<sub>2</sub>/ton of product in 2020 and 0.644 tons of CO<sub>2</sub>/ton of product in 2021.

The data obtained from the carbon footprint calculations was consolidated within the Scope-1 and Scope-2 emission calculations. The emission factors were taken from the Turkey National Inventory Report (TR NIR) published in the UN Climate Change (UNCC).

## WASTE MANAGEMENT

Valuing the circular economy as part of its sustainability efforts, the Company considers all kinds of waste as potential energy sources and closely follows global developments. Conducting R&D studies related to waste management, Pinar Et manages the waste generated due to its production activities with its Waste Management System.

The Company ensures that the wastes 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 Ministry of Environment, Urban Planning, and Climate Change information system.

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.

## ENERGY EFFICIENCY EFFORTS

Continuing its TSE EN ISO 14001 Environmental Management System practices in 2021, Pinar Et was audited by the TSE and completed the process.

The Environment Committee, established in 2018, continued its activities in 2021 towards raising awareness of environmental, water, and energy issues in which all processes are included. The goal is to increase related

improvement works and transform the improvements into projects.

## ENVIRONMENTAL RESPONSIBILITY

Pinar Et implements various projects to raise awareness regarding environmental responsibility. With the sapling planting project launched in 2014, the Company plants certified saplings through the Regional Directorate of Forestry for each employee who submits 10 waste batteries. Pinar Et planted 290 seedlings in exchange for 2,900 batteries in 2021.

Pinar Et participates in the activities of the Environment and Afforestation Commission established by KOSBİ. Employees participating in the Vegetable Waste Oil Project within the scope of these activities prevent the waste oils they bring from their homes from entering the water and the sewage system. Aiming to raise awareness among its employees to realize its sustainability and environmental policies, Pinar Et organizes informative training on energy use and the environment.

Pinar Et discloses its environment-related information to the Ministry of Environment, Urban Planning and Climate Change and its related official bodies, the Environmental Protection and Packaging Waste Recycling Foundation (ÇEVKO), the Izmir Chamber of Commerce, and the Aegean Exporters' Associations.

## QUALITY-ORIENTED STUDIES

Pinar Et manages all of its production processes with its Quality Management System implemented without compromising a continuous quality approach. 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 compliance processes.

### Documents and Certificates

- ISO 9001: 2015 Quality Management System
- FSSC 22000: 2018 Food Safety Management System
- ISO 14001: 2015 Environmental Management System
- ISO 50001: 2018 Energy Management System
- ISO 45001: 2018 Occupational Health and Safety Management System
- 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

Pinar 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, Pinar Et confirms its quality as the first company in the industry to receive the TSE COVID-19 Safe Production Certificate.

Analyses and improvements are meticulously carried out at all stages of the production process at the fully equipped Integrated Red Meat, Integrated Turkey, Processed Seafood, and By-Products production facilities of Pinar Et.

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.

## GOOD AGRICULTURAL PRACTICES

Pinar Et received the Certificate of Good Agricultural Practices (GAP) in 2021, covering turkey hatchery, breeding, feed and meat production. The Company's Good Agricultural Practices certificate, which covers the dimensions of Food Safety, Animal Welfare, Environment and Occupational Health and Safety in turkey farms, verifies that products holding this certification meet 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 per the relevant legal requirements of the countries in which products are produced and consumed.

## FOOD SAFETY MANAGEMENT SYSTEM

Pinar Et, which aligns its activities with the Sustainable Development Goals of the United Nations Global Compact, has adopted the principle of producing healthy, reliable, and accessible products for its consumers. In this context, the Company, which effectively uses its "Food Safety Management System," develops methods to facilitate communication with its customers and consumers and receives their feedback. Pinar Et evaluates and analyzes

the feedback to further improve its products and systems and provide better products and services to its consumers.

## TSE CERTIFIED LABORATORIES

With the advantage of verifying the conformity of the products produced in line with the Food Safety Management System, legal requirements, customer demands, and specifications in its advanced laboratories, Pinar Et closely monitors all factors that may pose a risk, from raw material to end product, as well as product analysis.

Thanks to the critical role of its equipped laboratories holding TSE Testing Laboratory Approval Certification, Pinar Et conducts production processes without compromising high quality. Various chemical, microbiological, sensory, and molecular analyses are also performed in these laboratories, where the relevant regulations and communiques required for the industry are carried out.

Digitalization of the traceability system, a requirement for safe food production, was initiated in 2021.

## FULL MARKS IN AUDITS

Pinar Et has completed 57 different audits for Turkey and export markets in 2021.

Pinar Et, which continuously improves its Quality and Food Safety Management, Environment, Energy, Occupational Health and Safety, and Laboratory Management systems, also passed the TSE Integrated Management Systems audits and the System Patent Halal Food standard in 2021. In addition, the Company received full marks in audits carried out by chain markets and private customers.

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

## PINAR ET SUPPLIER PRINCIPLES GUIDE

Pinar Et, which prepared the "Pinar Et Supplier Principles Guide" containing its corporate sustainability approach and principles, required all suppliers across the value chain to sign the document to ensure their compliance with these principles.

## COMPLIANCE WITH SUSTAINABLE DEVELOPMENT GOALS

	1 PEOPLE	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Pinar Et	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓		✓		







Pınar carries out social responsibility projects with the mission of raising “Healthy and Happy Generations” in the belief that social development is only possible with educated and cultured generations who grow up with sports and are sensitive to the environment and society.

## Corporate Social Responsibility

### PINAR CHILDREN'S THEATER

Since its establishment in 1987, Pınar Children's Theater has reached over three million children free of charge throughout Turkey, aiming to contribute to their cultural and personal development. Pınar Children's Theater also serves as an effective school for introducing celebrated actors to the art of theater.

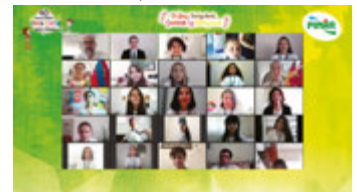


Pınar Children's Theater met with children online at the Yaşar Group's internal theater event during the semester break with the play “Game Machine.” Children watched the interactive play, having conversations with the actors. The theater group toured over the summer, visiting six locations including Yenışehir, Bursa; Simav, Kütahya; Seferihisar, İzmir; Tire, İzmir; Bozdoğan, Aydın; and Çine, Aydın.

### INTERNATIONAL PINAR CHILDREN'S PAINTING CONTEST

The International Pınar Children's Painting Competition, organized to increase the interest of primary school children in the art of painting and to discover the painters of the future, was held for the 40<sup>th</sup> time in 2021 with the theme “I Love Nature, I Take Good Care of My Environment.”

Twelve thousand nine hundred eight paintings competed in the event, which received submissions from



Germany, the TRNC, Azerbaijan and Turkey.

Upon evaluation by the Selection Committee, 13 successful little painters in the competition were awarded tablets and professional painting materials. At the same time, two students received a one-year scholarship through the Yaşar Education and Culture Foundation. The competition results were announced with an award ceremony held online for the first time this year due to the pandemic.

The works deemed worthy of being exhibited were presented to visitors at the "Virtual Exhibition," which is accessed on Pınar's website at [www.pinar.com.tr](http://www.pinar.com.tr). The video of the exhibition was broadcast on the 'Her Şey Çocuklarımız İçin' YouTube Channel. The successful works were also exhibited in shopping centers with many visitors located in Izmir and Istanbul.

The preparations for the 41<sup>st</sup> edition of the Pınar Children's Painting Competition started. According to the Sustainability Goals, the theme selected for the competition's next edition is "The World Through My Eyes." Based on the sustainability goals, the slogan of the painting competition is "Take action for the future; paint the world of your dreams." The painting competition is planned to be implemented as an awareness campaign that will enable participating students, teachers, and parents to act by raising their awareness on issues such as sustainability, climate, and water crisis, plastic use, recycling, waste management, and marine pollution.

## PINAR CHILDREN'S PAINTING WORKSHOP

Pınar Children's Painting Workshop moved to the digital platform in 2021 due to pandemic conditions in line to bring children together with art. A digital painting workshop was organized for children with the painter Betül Güney in an internal event within the Yaşar Group.



## KITCHEN WORKSHOP

Sömestr tatilinde çocuklara aileleri ile birlikte eğlenceli. During the semester break, a "Kitchen Workshop" was organized where children could develop their skills in the kitchen while participating in a fun activity with their families. At the event, which was held as an in-house online activity within the Yaşar Group, children prepared desserts with Pınar

products accompanied by Chef Eyüp Kemal Sevinç.

## SUPPORT FOR SPORTS

The Pınar brand contributes to sports with its corporate culture approach focused on "social citizenship." Under the leadership of Yaşar Holding's Founder and Honorary Chairperson Selçuk Yaşar, Pınar has been providing support to the Karşıyaka Basketball Team and thousands



of little athletes playing sports in the youth academy as a prominent supporter since 1998. Having ensured that more than 25 thousand children engage in sports with its youth academy support, Pınar continues its works in different sports branches and basketball.

### Pınar KSK

The Pınar brand contributes to sports with its corporate culture approach focused on "social citizenship." Under the leadership of Yaşar Holding's Founder and Honorary Chairperson Selçuk Yaşar, Pınar has been providing support to the Karşıyaka Basketball Team and thousands of little athletes playing sports in the youth academy as the leading supporter since 1998. Having ensured that more than 25 thousand children engage in sports with its youth academy support, Pınar continues its works in different sports branches including basketball.

### Pınar Cup Tournament

The Pınar brand contributes to sports with its corporate culture approach focused on "social citizenship." Under the leadership of Yaşar Holding's Founder and Honorary Chairperson Selçuk Yaşar, Pınar has been providing support to the Karşıyaka Basketball Team and thousands of little athletes playing sports in the youth academy as the leading supporter since 1998. Having ensured that more than 25 thousand children engage in sports with its support of the youth academy, Pınar continues its works aimed at different sports branches as well as basketball.



## SPECIAL PUBLICATIONS

### Güzel Yaşar Magazine

Pınar Et continued its magazine, website, social media, and weekly e-newsletter efforts with the "Güzel Yaşar" concept in 2021. The Company took necessary digitalization steps to reach a wider audience with the project initiated in 2017, believing that the secret to living well is acquiring correct and healthy eating habits. With this step by carrying the "Güzel Yaşar" magazine, formerly published quarterly in print, to the digital platform, paper consumption was eliminated, 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.



### Lezzet Fikirleri

The Lezzet Fikirleri project, which started its digital life in 2017 with Facebook, Instagram, YouTube accounts, and a website, offers recipes that consumers can follow using Pınar products. The website lezzetfikirleri.com and social media accounts blend Pınar Et products with the most unique Turkish and world cuisine recipes, bringing them to the consumer's kitchen. The project was expanded to include overseas operations in 2019 and has increased its effectiveness in the digital world year by year. Having reached over 25 thousand individual users as of the end of 2021, Pınar Lezzet Fikirleri brings together people who love to cook and are open to different recipes.

### Benim Pınarım

Benim Pınarım magazine, exclusive to Company employees, is published quarterly. The magazine contains the Company's news, up-to-date employee information, internal announcements, and unique content.

### Pınar Newspaper

Addressing issues such as nutrition, milk and meat technologies, and livestock health, Pınar Newspaper is an essential 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. The latest issue of Pınar Newspaper, along with the entire archive, can be accessed at [www.pinar.com.tr](http://www.pinar.com.tr).

### Pınar'la Yaşam Social Media Accounts

Pınar includes social responsibility and sustainability issues in its Twitter, Instagram, Facebook accounts, and YouTube channels to bring different target groups together. Providing valuable 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.

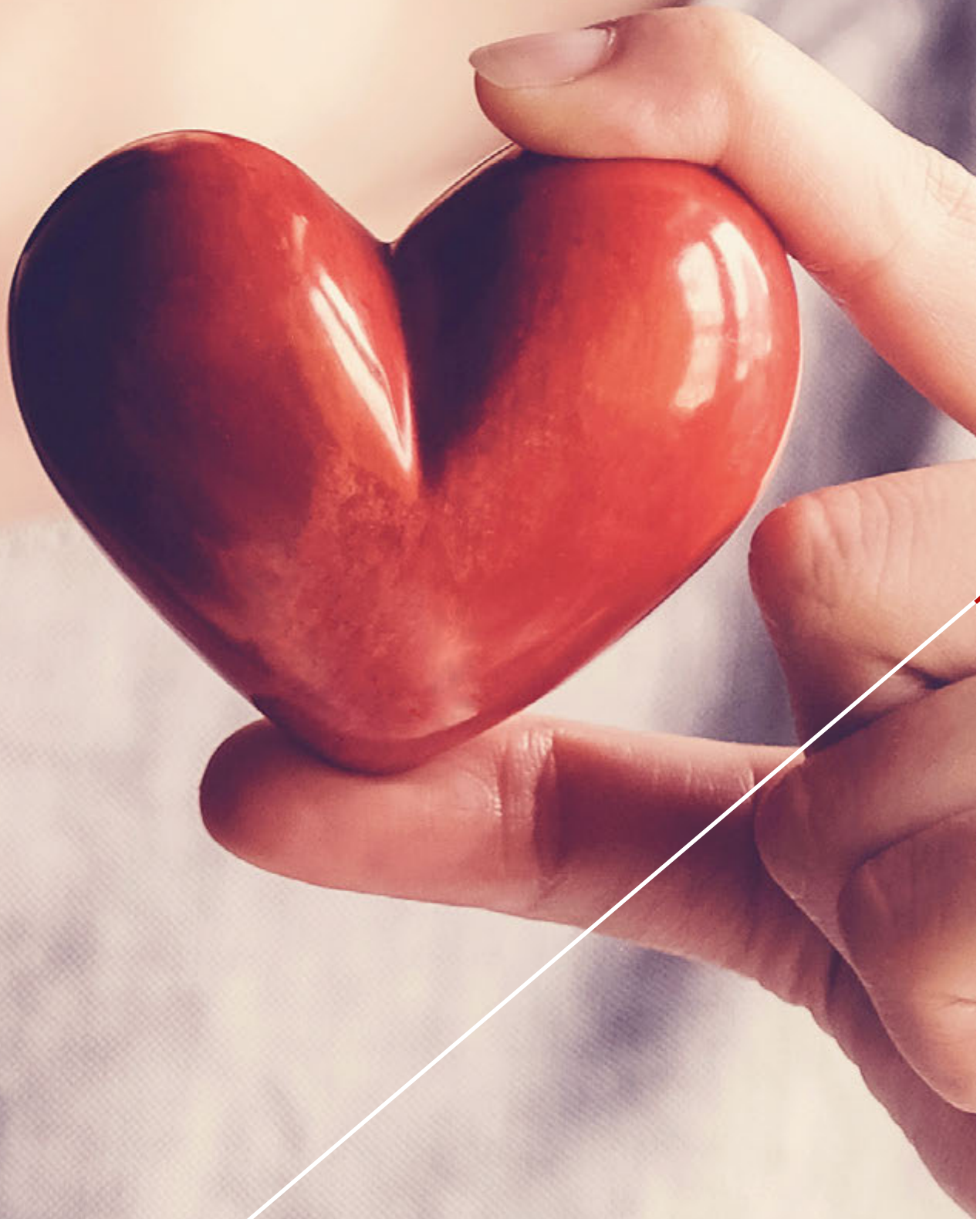
## SPONSORSHIPS

Pınar Et, which participates in many congresses in areas such as R&D, sustainability, and marketing in the food sector as both a participant and a sponsor, also supports events that contribute to the development of culinary, gastronomy, and geographical culture in Turkey. In this direction, Pınar Et continued to provide sponsorship support to many congresses, summits, forums, and workshops in 2021.

### Events Participated in 2021:

- Gulfood 2021 / February 21-25
- Seminar on the Importance of Carbon Footprint for Business / June 8
- Urla'da Doğaya Koş / June 21
- 7th Ayvalık Music Festival / August 10-19
- Anuga Fair / October 7-11
- 7th Sustainable Food Summit / October 19-20
- 5th Aegean Economic Forum / November 8-12
- Sustainable Consumption of Food, The Effectiveness of the Role of Stakeholders in Creating Behavior Change in Consumers / 17 December









Pınar Et, having established an inseparable bond with its consumers thanks to its quality, reliability, environmental approach and taste, was proud to be named Turkey's most admired and reputable brand in its category in 2021.

## Awards

### “Turkey's Most Admired Companies” Award

Pınar Et was named the “Most Admired Company” in the Packaged Meat Products Category in the “Most Admired Companies of the Business World” research prepared by Capital Magazine for Zenna Research and Consultancy. The research was conducted in September-November 2021 using the online (CAWI) questionnaire technique with the participation of 1,470 directors representing over 600 companies from diverse industries. The Award Ceremony of the Most Admired Companies of the Business World was held online on 23 June 2021 upon completion of the research phase.

### The Most Reputable Delicatessen Brand in Turkey: Pınar Et

According to the results of the Turkish Reputation Index Survey, conducted for the 10<sup>th</sup> time by the Turkey Reputation Academy under the academic supervision of the faculty members from Yıldız Technical University and Bursa Technical University, Pınar Et was named the most reputable brand of the industry in the Deli Products category. Completed by interviewing 12 thousand individuals between 2 January – 30 December 2021 in 26 regions and 72 provinces accepted as the Turkish sample by the Turkish Statistical Institute, brands operating in 50 different sectors, including primary and sub-sectors, were rated by reputation.



# Milestones

## One of the Leaders of the Meat Products Market

- 1983** ● Pinar Et's foundations were laid.
- 1985** ● Pinar Et started its operations as Turkey's first private integrated meat plant.
- 1987** ● The Company produced Turkey's first industrial hamburger patties.
- 1994** ● The Company became the first organization in its industry to receive the TS ISO 9002 Quality Management System Certificate.
- 1998** ● The Yaşar Group established Turkey's first fully integrated turkey facilities under the umbrella of Pinar Et.
- 2000** ● The production of sliced delicatessen products was initiated in hygienic conditions with cleanroom technology for the first time.
- 2001** ● Pinar Et introduced doner, one of the classics of Turkish cuisine, to the market on an industrial scale.
  - The production of frozen seafood was initiated.
- 2003** ● The Company received the TS ISO 9001-2000 Certificate.
- 2004** ● Pinar Et obtained the TS ISO 14001 Environmental Management System Certificate.
  - The Company presented the "meatballs of Turkey" product range with nine options to the consumer.
- 2006** ● Pinar Et became the first company in the industry to receive the TSE ISO 22000 Food Safety Management System Certificate.
- 2007** ● The Company received the TSE 18001 OHSAS (Occupational Health and Safety) Certificate, another first for the industry.
  - The Company received the Aegean Region Achievement Award from the Izmir branch of the Turkish Quality Association.
- 2008** ● Pinar Et became the first company in the meat products industry to receive the TSE 17025 Food Safety Management System Certificate.
  - Pinar Et became the first company in the food industry in Turkey to commence Lean 6 Sigma works.
- 2009** ● Pinar Misket Meatballs and Pizzatto Alaturka were presented to consumers.
- 2010** ● Practical single-portion salami, soudjouk, and sausage products were introduced under the "Aç Bitir" category.
- 2011** ● The Company created the Pinar Professional category, focusing on food away from home consumption.
  - Gourmet Soudjouk and sausage varieties made with the best quality meats were introduced to the market.
- 2012** ● Pinar was ranked among the top 10 most reputable companies in Turkey in a study conducted by GfK Repman Reputation Research Center.
  - Pinar Aç Bitir Salami and Pinar Gourmet Burger received the "Best New Product" award from BrandSpark International.
  - In the research conducted by Nielsen and Superbrands, Pinar ranked among Turkey's top 10 super brands.
- 2013** ● Different pastry varieties were presented to consumers.
- 2014** ● Pinar Gourmet started the production of salami, ham, and smoked meat varieties.
  - The communication campaign for Aç Bitir won the Gold Effie award, one of the most prestigious awards in the advertising industry.
- 2016** ● Pinar was selected the "Most Successful Brand of the Year" in the food industry.
- 2017** ● The Company obtained the Ecocert Organic Food Certificate.
  - The Pinar Et R&D Center was established.
- 2018** ● The Pinar İllaki Lokum Meatball was introduced.
- 2019** ● The Pinar 3 Cheese Tray Pastry was launched.
  - Canned Turkey Fillet, a first in its field, was introduced to the market.
- 2020** ● Frozen Organic Meat Products and Frozen Vegetable-Based Products were offered to consumers.
  - Pinar Et became the first company in the meat and meat products industry to successfully pass the "TSE COVID-19 Safe Production Certification Audit."
- 2021** ● Pinar Et emerged as the "Most Admired Company" in the Packaged Meat Products Category in the "Most Admired Companies of the Business World" research study.
  - Pinar Et received the Certificate of Good Agricultural Practices (GAP), covering turkey hatchery, breeding, feed and meat production.
  - The PinarOnline e-commerce platform was launched.



# 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 DYÖ, a Yaşar Group company. She then served in the Yaşar Group as a manager in finance and management. After Selçuk Yaşar became Honorary President, she assumed the Chairperson role of the Yaşar Holding Board of Directors from 2004 to 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 Board of Directors of Group companies. Feyhan Yaşar, who has been active in many non-governmental organizations that support social development in the fields of education, culture, and the arts and sports, as well as business life, is also the Vice-Chairperson of the Yaşar Education and Culture Foundation Board of Directors, Member of Selçuk Yaşar Sports and Education Foundation Board of Directors and the 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), Chairperson of the Danish Business Council of DEİK. She participated in the 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. Feyhan Yaşar, who has been providing personal support to the Teos Ancient City excavations in Seferihisar, Izmir carried out by the Ministry of Culture and Tourism since 2011, has also been the Honorary Consul of Luxembourg since 2014. Feyhan Yaşar completed her undergraduate education at Boğaziçi University, Faculty of Administrative Sciences, Department of Business Administration, and completed her master's degree in the Department of Economics at Dokuz Eylül University. She speaks English and French.

## İdil Yiğitbaşı - Chairperson of the Board of Directors

İdil Yiğitbaşı completed her bachelor's degree in Business Administration at Boğaziçi University in 1986 and an MBA at Indiana University in 1989. İdil Yiğitbaşı, who started her career in Yaşar Group as an executive assistant in 1986, served as an Assistant System and Financial Analysis Coordinator between 1990-1995, the Coordinator of Pınar Food Group in 1995, and 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 acting as 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. İdil Yiğitbaşı 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 Izmir 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 (ESİAD), Member of the Family Businesses Association (TAİDER) Member of the Advertisers Association (RVD) and Member of the Corporate Governance Association of Turkey (TKYD).

## Kemal Semerciler - Independent Board Member

Kemal Semerciler was born in 1958. He completed his higher education at the Faculty of Economics and Administrative Sciences of Uludağ University. Kemal Semerciler began 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-to 2003. He served as the Head of the Inspection Board from 2004 to 2006. From 2006 to 2008, he served as the Deputy General Manager in 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 bank subsidiaries. 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 several companies within the body of Yaşar Group.

## 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 Ph.D. in banking from the Marmara University, Institute of Banking and Insurance. From 1983 to 1992, he worked as an Auditor in the Capital Markets Board's Audit Department. He served as the Head of the Inspection Board of Borsa İstanbul between 1992 and 1998 and as the Deputy President for Markets, Risk Management, and Member Affairs between 1998 and 2007. Between 1997-2007, he served as 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 Turkey and abroad and is an independent board member. Bekgöz is an independent member according to the CMB Corporate Governance Principles. He serves on the boards of directors of several companies within the body of Yaşar Group.



## BOARD OF DIRECTORS

### Fatma Dilek Yardım - Independent Board Member

Born in Istanbul in 1963, Dilek Yardım completed her high school education at Sankt Georg Austrian High School, received a Bachelor's Degree in Business Administration from Boğaziçi University, and an MBA from a joint program conducted by Manchester Business School and University of Bangor. Yardım started her career at Interbank in 1988 and worked mainly in corporate banking in the Project Finance and Corporate Banking departments of Bankers Trust between 1990 and 1999. She served as the Assistant General Manager of Corporate Finance at Deutsche Bank between 1999 and 2001 and the General Manager and Board Member between 2001 and 2007. She worked as the General Manager and Board Member of Credit Agricole CIB between 2007 and 2012. As the General Manager and Board Member of Standard Chartered Bank between 2012 and 2016, she served on the European Region Advisory Board of the bank. Providing strategic consulting services mainly to international companies with the consulting company she founded in 2017, Yardım has been an Independent Member of the Board of Directors of Çimsa, Afyon Çimento, and Enerjisa Enerji since 2018, and Pinar Et and Altın Yunus Çeşme since 2021. Continuing to serve as the branch manager of Forum Bornova Shopping Center as the representative of Commerz Real Investmentgesellschaft, Dilek Yardım chaired various Working Groups of TÜSİAD between 2001 and 2016, served as a Member of the Board of Directors for three terms in YASED, of which she became a member in 2001, between 2007 and 2012, and was also a member of the DEİK Turkish-British Business Council between 2012 and 2016. She speaks English and German.

### 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. Gökoğlu, who left his position at the Ministry of Finance in 1983 to join 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 has 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. He 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 also a Board Member and Committee Member in companies within the Group. 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.

### Cengiz Erol - Board Member

Cengiz Erol completed his undergraduate degree in Business Administration at Ege University in 1974, his master's degree in Finance and Accounting at New York State University in 1979, and his doctorate in International Trade and Finance at New York State University in 1983. Erol, who worked as Assistant Professor of Finance at Çukurova University between 1983-1985, at Yarmouk University in Jordan from 1985-1990, and Associate Professor of Finance at the Department of Business Administration at METU from 1990-1993, was a Professor of Finance at the Department of Business Administration at METU from 1993 to 2010. Serving as Ereğli Demir Çelik General Manager Consultant from 1991-1994, Member of the Ankara Sigorta Board of Directors and as Ankara Emeklilik Sigorta President from 2000-2003, Consultant to the Board of Directors at İnterfarma Tıbb. Mal. A.Ş. between 2002-2004, Member of the Board of Directors at İnterfarma Tıbb. Mal. A.Ş. from 2004-2008, and Head of the Department of Business Administration at METU between 2008-2010, Cengiz Erol also assumed the position of METU Rector Advisor and Member of the Executive Board of ÖSYM. Erol, who served as the Head of the International Trade and Finance Department at Izmir University of Economics from 2011 to 2013, worked as a faculty member of the International Trade and Finance Department and as Director of the Institute of Social Sciences at the Izmir University of Economics from 2010-2015. Erol, who has been serving on the Boards of Directors of the Yaşar Group companies since March 2014, has also been a faculty member at Yaşar University since 2017.

*In Yaşar Group, of which the Company is also a member, the board of directors may also be members of the board of directors of 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 that can be evaluated within 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 and working procedures and principles have been determined within the framework of the Regulation. In this context, the framework under which 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.

Implementing "Corporate Risk Management" at the Company has begun as a systematic process of defining, analyzing, controlling, and monitoring risks. This method can minimize the costs arising from unexpected adverse events and their effects on the asset value of our company.

### The Company's Risk Management Policy

The Company Board of Directors adopts risk management strategies that minimize the effect and possibility of risks that may affect all Company stakeholders, with shareholders being the priority. It ensures that necessary actions are taken accordingly.

### Workings of the Early Detection of Risks Committee

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

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

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

Studies are carried out to create a risk inventory in terms of all Company activities and to take the necessary actions within the framework of the risk management policy and procedures adopted throughout the Group.

In this context, regarding risks that the Company is exposed to;

- The internal control mechanism is the standard definitions, policies and procedures, job descriptions, and authorization structures for business processes.

- Current controls for risks of great concern are reviewed in terms of their design and implementation, and the most appropriate strategies and actions are determined,
- Action implementation results are monitored; and,
- The relevant units report and evaluate the results and possible developments.

## INTERNAL CONTROL MECHANISM 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 reduce their impact and possibility of occurrence. The internal control mechanism is the standard definitions, policies and procedures, job descriptions, and authorization structures for business processes. In this context, all control systems, including preventive/detective and remedial systems, have been established by the management for the Company to carry out its business activities effectively and efficiently.

The effectiveness and efficiency of operations, reliability of the financial reporting system, compliance with legal regulations, and assurance on these issues are targeted through the internal control systems established within the Company. 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 is essentially carried out by the Audit Committee established by the Company's Board of Directors. While the Committee Responsible for Audits fulfills the said function, the Audit Directorate of the Group uses the findings of the Independent Audit and Certified Public Accountancy 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

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

The Company's Ordinary General Meeting was held on March 25, 2021, and implemented the decisions. There was no Extraordinary General Assembly Meeting held in 2021.

## Affiliated Company Report

The conclusion part of the report prepared By the Board of Directors of our Company within the scope of Article 199 of the Turkish Commercial Code, and explaining our relations with Controlling and Affiliated Partnerships, 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's 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 business transactions our Company has entered into with related parties are included in this report herewith. In this report herewith prepared by the Board of Directors of our Company, it has been concluded that in all business transactions carried out with the controlling shareholder and affiliated companies of the controlling shareholder in 2021, an appropriate counteraction was provided in each transaction according to the state and conditions known to us at the time when the transaction was carried out when the action was taken or avoided and that there were no measures taken or not taken that caused damage to the Company and, within this framework, there was no need to take any actions or measure required for offsetting.

## Grants and Donations

Donations can be made to foundations established for various purposes and to such persons and/or institutions within limits set by the regulations of the Capital Markets Board on the subject. In 2021, the Company made donations and financial assistance in the amount of TRY 275,560 to various institutions and organizations.

## Information Regarding Lawsuits Filed Against the

## Company That May Affect its Financial Status and Activities and Possible Consequences of Such Lawsuits

Explanation on the subject is included in footnote 16 of our financial statements drawn for 01.01.2021 - 31.12.2021.

## 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

There are no administrative or judicial sanctions imposed on the Company and its management body members due to practices deemed contrary to the provisions of the legislation.

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

The amendment of Article 6 of the Company's Articles of Association, titled «Registered Capital,» was approved by the letter of the Department of Corporate Finance of the Capital Markets Board dated 09.02.2021 and numbered E-29833736-110.04.04.1553 and the preliminary permit letter of the General Directorate of Domestic Trade of the Ministry of Trade and Commerce dated 17.02.2021 and numbered E-50035491-431.02-00061555135, and the amendment was submitted for the approval of the shareholders at the 2020 Ordinary General Assembly meeting held on 25.03.2021 and unanimously accepted and approved.

## 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 Remuneration Policy framework 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 31.12.2021 is TRY 9,895,009.

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

As of December 31, 2021, it is seen that the equity level of TRY 1,302,741,547 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 five members, three, and if it consists of seven 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 by the members representing Group A.

There is a privilege regarding voting rights 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 Company's business affairs require it. 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 2021 fiscal year are as follows:

The Board of Directors convened 30 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**

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

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 follows the working principles available on the Company's website.

Mr. Kemal Semerciler is the Chairperson of the Audit Committee, and Mr. Sezai Bekgöz and Mrs. Fatma Dilek Yardim are the members of the Committee. All three members are non-executive, independent board members. Audit Committee meetings are held at least once every three months, four times a year. Within the committee activities, information on the operations of the Company and internal control systems were obtained from the Company executives, whereas 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 the initiation of the independent audit process, and the observance of the work of the independent audit firm.

The Committee informs the Board of Directors of the truthfulness and accuracy of the annual and interim financial statements to be disclosed to the public.

## LEGAL DISCLOSURES

Non-executive and non-affiliated board member Mr. Kemal Semerciler is the Chairperson of the Corporate Governance Committee, and the Committee members are non-executive and non-affiliated board member Mr. Sezai Bekgöz, non-executive board member Mr. Yılmaz Gökoğlu and Investor Relations Department Manager Mr. Tolga Bağcı. Corporate Governance Committee meetings are held at least once every three months, four times a year. The Corporate Governance Committee determines whether the Corporate Governance Principles are applied within the Company, and if not, why not. It also addresses conflicts of interest that arise due to not fully complying with these principles and recommends 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 and 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, considering the long-term goals of the Company, within the scope of Remuneration Committee duties.

The Early Detection of Risks Committee is responsible for the early diagnosis of risks that may endanger the Company's existence, development, and continuation, taking necessary precautions regarding the detected risks, and carrying out studies for the appropriate management of risks. The Committee Chairperson is non-executive and independent board member Mr. Sezai Bekgöz, and Committee Members

are non-executive and independent board members Mr. Kemal Semerciler and Mrs. Fatma Dilek Yardım and non-executive board member Mr. Yılmaz Gökoğlu.

In the evaluation made by the Company's board of directors, all committees of the Company are established per legislation, and the 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. 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 Risk Detection Committee reviewed the effectiveness of internal control and risk management processes and 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 subsequent 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 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

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

### **AGENDA OF THE ORDINARY GENERAL ASSEMBLY OF 2021 DATED 29 MARCH 2022**

1. Opening and election of the Chairperson of the Meeting,
2. Authorizing the Meeting Chair to sign the General Assembly Meeting Minutes,
3. Reading, negotiating, and approving the 2021 Annual Report prepared by the Company's Board of Directors,
4. Reading and discussing the Independent Audit Report for the fiscal year 2021,
5. Reading, negotiating, and approving the Financial Statements for the fiscal year 2021,
6. Approving the Board of Directors Member elected in place of the vacant Board of Directors Member position,
7. Releasing the members of the Board of Directors from their duties for the Company's activities in 2021,
8. Submitting the selection of the Independent Audit Firm made by the Board of Directors for the approval of the General Assembly per the Turkish Commercial Code and Capital Markets Board regulations,
9. Determining the number and terms of office of the members of the Board of Directors, electing according to the determined number of members, determining the non-affiliated board members,
10. Under Article 408 of the Turkish Commercial Code, determining the wages of the members of the Board of Directors and their rights such as per diem, bonuses, and premiums,
11. Per Article 12 of the Corporate Governance Communiqué numbered II-17.1 of the Capital Markets Board, providing information to the shareholders about the income and benefits obtained by the guarantees, pledges, mortgages, and sureties given by our Company in favor of third parties,
12. Informing the shareholders about the donations made during the year and submitting the donation limit determined within the scope of the Capital Market Legislation for the approval of the General Assembly
13. Discussing and settling on the issue of year profit,
14. Allowing the Members of the Board of Directors to make transactions per the Articles 395 and 396 of the Turkish Commercial Code,
15. Wishes and opinions, closing.



# DECLARATION OF NON-AFFILIATION

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 essential duties and responsibilities in the past five years, that there is no joint or sole ownership of more than 5% of the capital or voting rights or privileged shares, or that a significant commercial relationship has not been established between myself, 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 as well as 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) being 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 after being elected as a member of public institutions and organizations, 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 the 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 considering 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 the 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,

Kemal SEMERCİLER



# DECLARATION OF NON-AFFILIATION

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 essential duties and responsibilities in the past five years, that there is no joint or sole ownership of more than 5% of the capital or voting rights or privileged shares, or that a significant commercial relationship has not been established between myself, 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 as well as 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) being 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 after being elected as a member of public institutions and organizations, 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 the 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 considering 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 the 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

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 essential duties and responsibilities in the past five years, that there is no joint or sole ownership of more than 5% of the capital or voting rights or privileged shares, or that a significant commercial relationship has not been established between myself, 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 as well as 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) being 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 after being elected as a member of public institutions and organizations, 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 the 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 considering 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 the 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,

Fatma Dilek YARDIM







# PROPOSAL FOR PROFIT DISTRIBUTION

At the Board of Directors Meeting of our Company on 10 March 2022,

Commercial Code, Capital Markets Legislation, Corporate Tax, Income Tax, and other legal regulations, the articles of our articles of association regarding profit distribution and our Dividend Distribution Policy; per financial tables audited independently and prepared per our company's Capital Markets Board II-14.1 Communiqué and based on Turkey's Accounting Standards, and a General Legal Reserve has not been allocated from TRY 146,909,842 which is a net term profit of 2021, due to reaching the legal limit. Net distributable profit for the period has been calculated as TRY 146,909,842.

Over the calculated distributable profit, in line with CMB regulations, and by taking into account donations amounting to TRY 275,560, the distribution of the First Dividend to Shareholders in the amount of TRY 29,437,080, corresponding to 20% of distributable profit, to the allocation of the Board of Directors, not exceeding 5% in the articles of association, and over the remaining amount, the first dividend and the total net amount of our nominal issued capital (TRY 43,335,000) Distribution of the Second Dividend payment to Shareholders in the amount of TRY 23,431,620 (total net amount of the First and Second Dividend TRY 47,581,830), the total net amount of which meets 109.80% of our nominal issued capital, the allocation of the General Legal Reserve Fund in the amount of TRY 5,985,213 and the remaining, it has been proposed that the issue of allocating the entire amount as Extraordinary Reserve Fund be submitted for the approval of the Ordinary General Assembly.

Within the scope of dividend payment;

For each share traded on the stock exchange with a nominal value of TRY 1, a net cash dividend of TRY 1.0980 will be paid.

Respectfully yours,  
PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## 2021 DIVIDEND DISTRIBUTION TABLE (TRY)

1.	Paid-in / Issued Capital		43,335,000
2.	General Legal Reserve Fund (According to Legal Records)		56,356,335
If there is a privilege in profit distribution per the articles of association, information on the said privilege			
		According to the CMB	According to Legal Records (LR)
3.	Term Profit	147,665,471	107,804,264
4.	Taxes (-)	[755,629]	[2,179,437]
5.	Net Profit For The Term (=)	146,909,842	105,624,827
6th	Previous Years' Losses (-)	0	0
7.	General Legal Reserve Fund (-)	0	0
<b>8.</b>	<b>NET DISTRIBUTABLE PERIOD PROFIT (=)</b>	<b>146,909,842</b>	<b>105,624,827</b>
9.	Donations Made During the Year (+)	275,560	
10.	Net Distributable Term Profit with Donations Added	<b>147,185,402</b>	
11.	First Dividend to Partners		
	- Cash	29,437,080	
	- Bonus		
	- Total	29,437,080	
12.	Dividend Distributed to Privileged Shareholders		
13.	Other Dividend Distributed		
	- Members of the Board of Directors	5,800,000	
	- Employees		
	- Persons Other than Shareholders	3,350,183	
14.	Dividend Distributed to Divident Right Certificate Holders		
15.	Second Dividend to Shareholders	23,431,620	
16.	General Legal Reserve Fund	5,985,213	
17.	Status Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVE	78,905,746	37,620,731

### TABLE OF DIVIDEND SHARE RATES

	GROUP	TOTAL DIVIDEND DISTRIBUTED		TOTAL DIVIDEND DISTRIBUTED / NET DISTRIBUTABLE PERIOD PROFIT	DIVIDEND FOR SHARE WITH TRY 1 NOMINAL VALUE	
		CASH (TRY)	BONUS SHARE (TRY)		AMOUNT (TRY)	RATE (%)
	NET					
	There is no privileged share group in the profit.	47,581,830		32.39%	1,0980	109,80
	<b>TOTAL</b>	<b>47,581,830</b>		<b>32.39%</b>	<b>1,0980</b>	<b>109,80</b>



# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

## 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, 2021.

**b)** Our Company strives to comply fully with the non-compulsory principles of Corporate Governance Principles. The justifications based on 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** Per Article 19 of the articles of association, Group A shares in the holder's name 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 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 three 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. The duties of the members of the board of directors outside the Company are presented to the shareholders by inclusion 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.

Regarding compliance with the principles, our Company will also make the necessary efforts by following the developments and practices in legislation in future periods, as it does currently.

The 2021 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared per 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 on 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>)

With the addition of the Sustainability Principles by the CMB with Communiqué (II-17.1.a) Amending the Corporate Governance Communiqué (II-17.1) on October 2, 2020, the Company considers the environmental impacts of its activities as part of its sustainability efforts. It includes the sustainability principles when identifying its corporate governance strategy. Regarding compliance with the principles, our Company will also make the necessary efforts by following the developments and practices in legislation in future periods, as it does currently.

# SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
	PRINCIPLES	YES	NO	PARTIALLY		
A.	General Principles					
A1.	Strategy, Policies, and Targets					
A1.1	The Board of Directors determines material ESG issues, risks, and opportunities and creates ESG policies accordingly. In terms of the effective implementation of these policies, companies' internal directives, business procedures, etc., can be prepared. The Board of Directors takes decisions on these policies, which are publicly disclosed.			✓	Our strategies and targets are determined within the framework of the Yaşar Group Sustainability Policy and Company policies. It is planned for the decisions of the Board of Directors regarding the policies to be completed in 2022.	Pinar Et Website <a href="https://www.pinar.com.tr/hakkimizda/detay/Yonetim-Sistemleri-Politikasi/2925/3350/0">https://www.pinar.com.tr/hakkimizda/detay/Yonetim-Sistemleri-Politikasi/2925/3350/0</a>
A1.2	It determines the company strategy according to the ESG policies, risks, and opportunities. It determines the short and long-term goals in line with the Company's strategy and ESG policies and makes them public.	✓			The 2020 Sustainability Report of Yaşar Holding covers the sustainability performance of nine Group companies between 1 January 2020 and 31 December 2020. This report, which includes Pinar Et, was prepared with the aim of sharing the approach, strategies, efforts, and performance in the field of sustainability and social contribution in 2020 with its stakeholders. Targets are set within the scope of ESG and are reviewed every three months.	Yaşar Holding 2020 Sustainability Report, Page: 4 <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach, Pages: 32-33
A2	Implementation/Monitoring					
A2.1	It determines the committees/units responsible for executing ESG policies and makes them public. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and, in any case, within the maximum periods determined for the public disclosure of the annual activity reports in the relevant regulations of the Board.	✓				Pinar Et Annual Report 2021 Sustainability Approach, Pages: 32-33  Yaşar Holding 2020 Sustainability Report, Pages: 36-37 <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
A2.2	It creates and publicly discloses implementation and action plans in line with the short and long-term goals determined.	✓				Yaşar Holding 2020 Sustainability Report, Page: 218 <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
A2.3	It determines Key ESG Performance Indicators (KPIs) and explains them yearly. In the presence of verifiable data, it presents KPIs with local and international sector comparisons.			✓	While Sustainability Committees work on disseminating to Group companies good practices related to sustainability, Sustainability Leaders within the companies follow the performance indicators determined to achieve the targets and coordinate the annual sustainability report. In addition, our KPIs set every year within the scope of the Environmental Management System are monitored quarterly, and more challenging targets are set for the following year.	Yaşar Holding 2020 Sustainability Report, Page: 36 <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a> Pinar Et Annual Report 2021 Sustainability Approach, Pages: 32-36
A2.4	It explains the innovation activities that improve the sustainability performance of business processes.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
A3.	Reporting					
A3.1	It reports its sustainability performance, goals, and actions at least once a year and makes it public. It explains the information on sustainability activities within the scope of the annual report.	✓				Yaşar Holding 2020 Sustainability Report Page: 6 <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
A3.2	It is essential to share information essential for stakeholders to understand the Company's position, performance, and development directly and concisely. It can also explain detailed information and data on the corporate website and prepare separate reports that directly meet the needs of different stakeholders.	✓				Pinar Et Investor Relations: <a href="http://yatirim.pinar.com.tr/yatirim.aspx?dil=QkFpL2NvY3F1ODkwZWpU250Yj44dz09">http://yatirim.pinar.com.tr/yatirim.aspx?dil=QkFpL2NvY3F1ODkwZWpU250Yj44dz09</a>

		COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
	PRINCIPLES	YES	NO	PARTIALLY		
A3.3	It takes maximum care in terms of transparency and reliability. It objectively explains all kinds of developments about material issues in disclosures and reporting within the scope of the balanced approach.	✓			The 2020 Sustainability Report of Yaşar Holding covers the sustainability performance of nine Group companies between 1 January 2020 and 31 December 2020. This report, which includes Pinar Et, was prepared to share with its stakeholders the approach, strategies, efforts, and performance in sustainability and social contribution in 2020. In addition, the Sustainability Approach section of Pinar Et's Annual Report describes the practices.	Pinar Et Information Policy: <a href="http://yatirim.pinaret.com.tr/yatirim.aspx?id=dVBSUNIR3FpNVJpK0IVM-3Mr-b3g2UmdvbJN0W04cFU2ek9TVW-dUR-WNsZz0%3d&amp;dil=QkFpL2NvY3F1ODkwZ-Vp-kU250Yjh4dz09">http://yatirim.pinaret.com.tr/yatirim.aspx?id=dVBSUNIR3FpNVJpK0IVM-3Mr-b3g2UmdvbJN0W04cFU2ek9TVW-dUR-WNsZz0%3d&amp;dil=QkFpL2NvY3F1ODkwZ-Vp-kU250Yjh4dz09</a>
A3.4	It gives information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	✓			Pinar Et continues its efforts to comply with the Sustainable Development Goals of the Yaşar Group.	Yaşar Holding 2020 Sustainability Report Page: 24-25  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
A3.5	It explains the lawsuits filed and/or concluded against environmental, social, and corporate governance issues.			✓	Information on lawsuits filed against the Company that may impact its financial position is provided under the legal statements in the Annual Report. There are no statements related to ESG that do not affect the financial situation.	Pinar Et Annual Report 2021 Legal Disclosures Page: 48
A4.	Verification					
A4.1	If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.		✓		Although sustainability efforts and performance monitoring are carried out, independent third-party verification is not performed on the data.	
B.	Environmental Principles					
B1	It explains policies and practices, action plans, environmental management systems (known by the ISO 14001 standard), and programs in the field of environmental management.	✓				Yaşar Holding 2020 Sustainability Report Page: 108-119  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B2	It complies with environmental laws and other relevant regulations and explains them.	✓				Yaşar Holding 2020 Sustainability Report Page: 108-119  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B3	It explains the limitations of the environmental report to be included in the report to be prepared within the scope of the Sustainability Principles, reporting period, reporting date, data collection process, and reporting conditions.	✓				Yaşar Holding 2020 Sustainability Report Page: 4  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B4	It describes the highest responsible person, relevant committees, and responsibilities in the Company on the issues of environment and climate change.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B5	It describes the incentives it offers to manage environmental issues, including achieving objectives.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B6	It explains how environmental problems are integrated into business goals and strategies.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36



# SUSTAINABILITY COMPLIANCE REPORTING

	PRINCIPLES	COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
		YES	NO	PARTIALLY		
B7	It explains the sustainability performance of business processes or products and services and the activities to improve this performance.	✓				Yasar Holding 2020 Sustainability Report Page: 196-202  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B8	It explains how it manages environmental issues along the Company's value chain and integrates suppliers and customers into its strategies, not just in terms of direct operations.	✓				Yasar Holding 2020 Sustainability Report Page: 186-187  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36  Strong Cooperation with Suppliers Page: 22-23
B9	If it is involved in policy-making processes on environmental issues (sectoral, regional, national, and international); it explains the cooperation it has made with the associations, related organizations, and non-governmental organizations it is a member of regarding the environment, and the duties it has taken, if any, and the activities it supports.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36  Yasar Holding 2020 Sustainability Report Page: 52-57  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B10	It reports information on its impacts in a periodically comparable manner within the scope 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).			✓	Pinar Et does not perform scope-3 calculation.	Yasar Holding 2020 Sustainability Report Page: 218  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B11	It describes the standard, protocol, methodology, and base year details used to collect and calculate its data.	✓				Yasar Holding 2020 Sustainability Report Page: 4-5  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B12	It describes the status of environmental indicators for the reporting year (increase or decrease) compared to previous years.	✓				Yasar Holding 2020 Sustainability Report Page: 202-203, 218, 230
B13	It sets short and long-term goals to reduce their environmental impact and explains these goals. It is recommended that these goals be determined based on Science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year according to the targets set before, it provides information on the subject.	✓				Yasar Holding 2020 Sustainability Report Page: 218  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36
B14	Explains the strategy and actions to combat the climate crisis.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36  Yasar Holding 2020 Sustainability Report Page: 36-39  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B15	It describes the program or procedures to prevent or minimize the potential negative impact of the products and/or services it offers; it explains the actions of third parties to reduce greenhouse gas emissions.	✓				Pinar Et Annual Report 2021 Sustainability Approach Page: 32-36  Strong Cooperation with Suppliers Pages: 22-23  Yasar Holding 2020 Sustainability Report Page: 196-202  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>

	PRINCIPLES	COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
		YES	NO	PARTIALLY		
B16	It explains the actions taken to reduce its environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits/revenues and cost savings they provide.	✓				Pınar Et Annual Report 2021 Sustainability Approach Page: 32-36  Yaşar Holding 2020 Sustainability Report Page: 196-202  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B17	It reports the total energy consumption data (excluding raw materials) and explains the energy consumption as Scope-1 and Scope-2.	✓				Yaşar Holding 2020 Sustainability Report Page: 218  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B18	It provides information on electricity, heat, steam, and cooling generated and consumed in the reporting year.	✓				Yaşar Holding 2020 Sustainability Report Page: 218  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B19	It conducts studies on increasing the use of renewable energy and the transition to zero or low carbon electricity and explains these studies.			✓	In line with the increase in renewable energy generation, the Company plans to purchase renewable energy in the coming years	
B20	It explains the renewable energy production and usage data.		✓		No renewable energy source was used within the relevant reporting period.	
B21	It realizes energy efficiency projects and explains the energy consumption and emission reduction resulting from them.	✓				Pınar Et Annual Report 2021 Sustainability Approach Page: 32-36  Yaşar Holding 2020 Sustainability Report Page: 196-202  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
B22	It reports the amount of water withdrawn, used, recycled, and discharged from underground or above ground, its sources, and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	✓				Yaşar Holding 2020 Sustainability Report Page: 202-203  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pınar Et 2020 yılı Annual Report Page: 32  <a href="http://yatirim.pinaret.com.tr/UserFiles/PINAR%20ET%202020-FR.pdf">http://yatirim.pinaret.com.tr/UserFiles/PINAR%20ET%202020-FR.pdf</a>  Pınar Et Annual Report 2021 Sustainability Approach Page: 34-35
B23	It explains whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade, or Carbon Tax).		✓		The Company is not included in the ETS and carbon pricing system.	
B24	Describes the carbon credit information accumulated or purchased during the reporting period.		✓		No carbon credit was used within the relevant reporting period.	
B25	Explains the details if carbon pricing is applied within the Company.		✓			
B26	It explains all mandatory and voluntary platforms where it discloses environmental information.	✓				Pınar Et Annual Report 2021 Sustainability Approach Page: 32-36
C.	Social Principles					
C1.	Human Rights and Employee Rights					
C1.1	It forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, the ILO Conventions, which Turkey has confirmed, and the legal framework and regulations governing the operation of corporate life in Turkey. It discloses the policy in question and the roles and responsibilities associated with its implementation.	✓			The 2020 Sustainability Report of Yaşar Holding covers the sustainability performance of nine Group companies between 1 January 2020 and 31 December 2020. The report, which includes Pınar Et, provides the information in question.	Yaşar Holding 2020 Sustainability Report Page: 72-105  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>

# SUSTAINABILITY COMPLIANCE REPORTING

	PRINCIPLES	COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
		YES	NO	PARTIALLY		
C1.2	It provides equal opportunity in recruitment processes. Considering the supply and value chain effects, and includes fair labor, improvement of labor standards, women's employment, and inclusion issues (such as gender, religious belief, language, race, ethnic origin, age, disability, refugee status, etc.) in its policies.	✓				Pinar Et Annual Report 2021 Pinar Et Family Page: 30-31  Pinar Et Investor Relations Website, Yaşar Group Business Ethics Rules  <a href="http://yatirim.pinaret.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf">http://yatirim.pinaret.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf</a>
C1.3	It describes the measures taken along the value chain to protect groups sensitive to specific economic, environmental, and social factors (low-income groups, women, etc.) or minority rights/equality of opportunity.			✓	Supporting the empowerment of women in every sector in which it operates, the Yaşar Group signed the "UN CEO Statement of Support for the Women's Empowerment Principles" in 2012, and also participated in the "Equality at Work Platform" of the World Economic Forum and maintained under the leadership of the Ministry of Family and Social Policies, and in the "Women's Empowerment Working Group" created by the Board of Global Compact Turkey. Pinar Et strives to bring women to effective positions in new assignments within the Company and emphasizes employing women in supplier audits.	Yaşar Holding 2020 Sustainability Report Page: 72-105  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C1.4	It reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. It explains the regulations against child labor.	✓				Yaşar Holding 2020 Sustainability Report Page: 78  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Investor Relations Website Yaşar Group Business Ethics Rules  <a href="http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf">http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf</a>
C1.5	It explains policies regarding investment in employees (training, development policies), compensation, vested benefits, the right to unionize, work/life balance solutions, and talent management. It determines dispute resolution processes by creating employee complaints and dispute resolution mechanisms. It regularly explains the activities carried out to ensure employee satisfaction.	✓				Pinar Et Annual Report 2021 Pinar Et Family Page: 30-31  Sustainability Approach Page: 32-36  Yaşar Holding 2020 Sustainability Report Page: 72-105  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C1.6	It creates occupational health and safety policies and makes them public. It explains the precautions taken and accident statistics gathered to prevent work accidents and ensure health.	✓				Yaşar Holding 2020 Sustainability Report Page: 97-98, 250  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C1.7	It creates and publicly discloses personal data protection and data security policies.			✓	A "Personal Data Storage and Destruction Policy" applies to all Yaşar Group Companies, and it has not been publicly disclosed. The information text is available on the Company's website.	Pinar Et Website <a href="https://www.pinaret.com.tr/hakkimizda/detay/KVKK/3589/4781/0">https://www.pinaret.com.tr/hakkimizda/detay/KVKK/3589/4781/0</a>
C1.8	It creates an ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, available information, etc.) and makes it public.	✓				Yaşar Holding 2020 Sustainability Report Page: 48  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Yatırımcı İlişkileri Sitesi Yaşar Topluluğu İş Etiği Kuralları :  <a href="http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf">http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf</a>
C1.9	It explains the work within the scope of social investment, social responsibility, financial inclusion, and access to financing.			✓	Pinar et carries out its social responsibility activities under the umbrella of Pinar.	Yaşar Holding 2020 Sustainability Report Page: 146-149  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et 2021 Annual Report Corporate Social Responsibility Page: 38-40



	PRINCIPLES	COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
		YES	NO	PARTIALLY		
C1.10	It organizes information meetings and training programs for employees on ESG policies and practices.	✓				Pinar Et 2021 Annual Report Pinar Et Family Page: 30-31  Yasar Holding 2020 Sustainability Report Page: 97-98  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C2.	Stakeholders, International Standards and Initiatives					
C2.1	It carries out its activities in sustainability by taking the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.) into account.	✓			Conducting sustainability management through the sustainability priorities matrix formed by canvassing stakeholders' opinions, Pinar Et builds its strategies on these priorities as well.	Yasar Holding 2020 Sustainability Report Page: 40-41  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C2.2	It formulates a customer satisfaction policy regarding managing and resolving customer complaints and discloses it to the public.	✓				Pinar Et 2021 Annual Report, Pinar Et Customers and Consumers, Pages: 28-29  Yasar Holding 2020 Sustainability Report Page: 128-139  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C2.3	It conducts continuous and transparent communication with stakeholders; explains the purpose, subject, and frequency of communication with the stakeholders and the progress of sustainability activities.			✓	In Pinar Et, a member of the Yasar Group, stakeholders are classified. According to this classification, communication frequency and dialogue platforms are determined to manage the stakeholder dialogue process more proactively. The Company created a matrix including the contact persons, communication issues, and communication frequency with stakeholders but did not disclose these to the public.	Yasar Holding 2020 Sustainability Report Page: 52-53  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>  Pinar Et Information Policy: <a href="http://yatirim.pinaret.com.tr/UserFiles/KurumsalYonetim/BilgilendirmePolitikasi/BilgilendirmePolitikasi.pdf">http://yatirim.pinaret.com.tr/UserFiles/KurumsalYonetim/BilgilendirmePolitikasi/BilgilendirmePolitikasi.pdf</a>
C2.4	It discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), The Task Force on Climate-Related Financial Disclosures (TCFD), etc.) to the public.	✓			The Yasar Sustainability Report, which includes Pinar Et's operations, is prepared based on the essential criteria of GRI. Additionally, the Company reports on CDP Climate Change and Water Management annually.	Yasar Holding 2020 Sustainability Report Page: 196-237  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C2.5	As a signatory or a member, it discloses the international organizations or principles (Equator Principles, United Nations Environment Programme - Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC) Principles, United Nations Principles for Responsible Investment (UNPRI), etc.), and the international principles it has adopted (International Capital Market Association (ICMA) Green/Sustainable Bond Principles) to the public.			✓	Having become a signatory of the United Nations (UN) Global Compact (GC) on 12 November 2007, the Yasar Group, of which Pinar Et is a member, has declared its commitment to working in line with global objectives to ensure women's participation in business life, improvement of working conditions of women, and empowerment of women in business life by signing the UN CEO Statement of Support for the Women's Empowerment Principles in 2012.	Yasar Holding 2020 Sustainability Report Page: 8-9  <a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a>
C2.6	It makes concrete efforts towards inclusion in the Borsa Istanbul Sustainability Index and international sustainability indexes (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indexes, etc.)		✓		Since our Company's shares included in the Borsa Istanbul's Sustainability Index are not among the companies listed on Star Market during the relevant reporting period, no current study has been conducted.	
D.	Corporate Governance Principles					
D1	It makes the maximum effort to comply with all Corporate Governance principles and the mandatory Corporate Governance principles within the scope of the Capital Markets Board Communiqué on Corporate Governance, numbered II-17.1.	✓				Pinar Et 2021 Annual Report, Statement of Compliance with Corporate Governance Principles Page: 58
D2	Takes the sustainability issue, the environmental impacts of its activities, and the relevant principles into account when determining its corporate governance strategy.	✓				Pinar Et 2021 Annual Report, Statement of Compliance with Corporate Governance Principles Page: 58

## SUSTAINABILITY COMPLIANCE REPORTING

	PRINCIPLES	COMPLIANCE STATUS			EXPLANATION	RELEVANT REPORTS AND PAGES
		YES	NO	PARTIALLY		
D3	As stated in the Corporate Governance Principles, it takes the necessary measures to comply with stakeholders' principles and strengthen communication with them. The Company also seeks the stakeholders' views when determining the measures and strategies in the field of sustainability.	✓				<p>Pınar Et Investor Relations:  <a href="http://yatirim.pinaret.com.tr/yatirim.aspx?dil=QkFpL2NvY3F1ODkwZWpkU250Yjh4dz09">http://yatirim.pinaret.com.tr/yatirim.aspx?dil=QkFpL2NvY3F1ODkwZWpkU250Yjh4dz09</a></p> <p>Pınar Website:  <a href="https://www.pinar.com.tr">https://www.pinar.com.tr</a></p> <p>Pınar Et Annual Report 2021  Pınar Et Customers and Consumers,  Page: 28-29</p>
D4	Works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities, and training programs.	✓				<p>Pınar Et Annual Report 2021 :  Corporate Social Responsibility  Page: 38-40</p>
D5	Strives to become a party to the international standards and initiatives on sustainability and contribute to activities.			✓	<p>The Yaşar Group, the parent company of Pınar et which prepares sustainability reports per the "Basic" option of the Global Reporting Initiative (GRI) Standards, signed the United Nations Global Compact (UNGC) on 12 November 2007. Compliance of the Group's Sustainability Report with the UNGC principles is shown in the UNGC Principles Index Table.</p>	<p>Yaşar Holding 2020 Sustainability Report  Page: 54-57</p> <p><a href="https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf">https://yasar.com.tr/tr/images/pdf/Yasar_Holding_2020_Surdurulebilirlik_Raporu.pdf</a></p>
D6	Discloses the policies and programs regarding the fight against bribery and corruption and the principle of tax integrity.	✓				<p>Pınar Et Investor Relations Website, Yaşar Group Business Ethics Rules</p> <p><a href="http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf">http://yatirim.pinaret.com.tr/UserFiles/Yasar-ToplulugulsEtigiKurallari-2021.pdf</a></p>

# STATEMENT OF RESPONSIBILITY

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

We hereby declare per CMB regulations that; regarding the financial position statement, including footnotes, comprehensive income statement, cash flow statement, and equity change statement, as well as the Board of Directors activity report arranged by our Company and approved by the Board of Director's decision dated 01.03.2022 and numbered 2022/7 of the independently audited Pinar Entegre Et ve Un Sanayii A.Ş. for the accounting period 01.01.2021 - 31.12.2021, which were prepared per the Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/TFRS) and the formats determined by the CMB;

1. That they were examined by our Company,
2. Within the framework of the information that we have in our field of duty and responsibility of our Company, they do not contain any false statements on essential matters or any deficiencies which may be consequentially misleading as of the date of disclosure,
3. Within the framework of the information that 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 01.01.2021 - 31.12.2021 within the framework of the CMB's decision dated 10.01.2019 and no 2/49, and confirm that the said reports were prepared per 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.

Kemal SEMERCİLER  
Head of the Audit Committee

Sezai BEKGÖZ  
Member of the Audit Committee

Fatma Dilek YARDIM  
Member of the Audit Committee

Tunç TUNCER  
General Manager







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

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

**1. Opinion**

We have audited the annual report of Pinar Entegre Et ve Un Sanayii A.Ş. (the "Company") for the 1 January - 31 December 2021 period.

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

**2. Basis for Opinion**

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

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

We expressed an unqualified opinion in the auditor's report dated 1 March 2022 on the full set financial statements for the 1 January - 31 December 2021 period.

**4. Board of Director's Responsibility for the Annual Report**

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

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

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

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

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

#### **5. Independent Auditor's Responsibility in the Audit of the Annual Report**

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

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

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

Serdar İnanç, SMMM  
Partner

Istanbul, 1 March 2022

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

**FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2021  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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





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

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

### A. Audit of the financial statements

#### 1. Our opinion

We have audited the accompanying financial statements of Pinar Entegre Et ve Un Sanayii A.Ş. (the "Company") which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

#### 2. Basis for opinion

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

#### 3. Key audit matters

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



## Key Audit Matters

## How the key audit matter was addressed in the audit

### Fair value determination of land, land improvements, buildings and machinery and equipment

As disclosed in Note 2 of the accompanying financial statements, the Company accounted land, land improvements, buildings and machinery and equipment at their fair values in accordance with the relevant provisions of TAS 16 "Tangible Fixed Assets" standard in its financial statements.

As explained in Note 11 of the accompanying financial statements, as a result of the valuations performed by an independent professional valuation firm appointed by the Company management as of 31 December 2021, the total fair value increase in the carrying values of land, land improvements, buildings and machinery and equipment before tax amounted to 353,1 million TRY and as of 31 December 2021, the total carrying value of these assets was 753,5 million TRY.

The aforementioned fair value increase was accounted in "Increase on Revaluation of Property, Plant and Equipment" line under shareholders' equity in the accompanying statement of financial position, net off deferred tax effect.

As of 31 December 2021, the total value of land, land improvements, buildings and machinery and equipment have a significant share in the Company's assets, and the valuation techniques applied, such as market reference method, construction costs per m2, condition and location of the relevant assets. Consequently, the fair value determination of land, land improvements, buildings and machinery and equipment was considered as a key audit matter by us, as they contain significant estimates and assumptions.

The following audit procedures were addressed in our audit work for the fair value measurement of land, land improvements, buildings and machinery and equipment:

- The competence, adequacy and independence of the independent professional valuation firm appointed by the company management was evaluated in accordance with the relevant auditing standards.
- The consistency of the data used by the independent professional valuation firm appointed by the Company management was checked with the Company's records on sampling basis.
- In order to evaluate the assumptions and methods used by the Company management and the independent professional valuation firm appointed by the Company management, an external expert was included in our audit to examine the valuation reports selected on a sampling basis in accordance with the provisions of "ISA 620: Use of Work of Expert" standard.
- The compliance of the disclosures of fair value determination of land, land improvements, buildings and machinery and equipment in the financial statements in accordance with the relevant financial reporting standards were evaluated.



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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





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

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 1 March 2022.

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

Serdar İnanc, SMMM  
Partner

Istanbul, 1 March 2022

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**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)****FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020**

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

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	43,172,004	22,875,684
Trade receivables		206,668,770	159,735,763
- Trade receivables from related parties	5	164,076,289	138,247,816
- Trade receivables from third parties	6	42,592,481	21,487,947
Other receivables		116,345,953	21,274,107
- Other receivables from related parties	5	116,277,220	21,161,651
- Other receivables from third parties		68,733	112,456
Inventories	8	107,468,303	86,539,144
Biological assets	9	30,004,552	17,263,737
Current income tax assets	28	1,421,602	-
Prepaid expenses		4,342,677	1,088,158
- Prepaid expenses to third parties	10	4,342,677	1,088,158
Other current assets		3,307,669	175,704
- Other current assets from third parties	19	3,307,669	175,704
<b>TOTAL CURRENT ASSETS</b>		<b>512,731,530</b>	<b>308,952,297</b>
<b>Non-Current Assets</b>			
Financial investments	32	4,265,488	2,544,588
Investments in associates accounted for using equity method	3	508,579,395	332,440,796
Other receivables		-	70,000,000
- Other receivables from related parties	5	-	70,000,000
Investment property	13	37,120,000	23,230,000
Property, plant and equipment	11	767,009,263	362,116,941
- Land		333,420,980	165,122,476
- Land improvements		13,532,652	9,482,640
- Buildings		123,038,820	68,130,941
- Machinery and equipment		283,603,931	108,007,975
- Vehicles		1,738,570	274,254
- Furniture and fixtures		11,674,310	10,759,846
- Construction-in-progress		-	338,809
Right of use assets		3,697,557	3,783,111
Intangible assets		4,750,420	3,731,517
- Other intangible assets	12	4,750,420	3,731,517
Prepaid expenses		1,067,688	155,455
- Prepaid expenses to third parties	10	1,067,688	155,455
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,326,489,811</b>	<b>798,002,408</b>
<b>TOTAL ASSETS</b>		<b>1,839,221,341</b>	<b>1,106,954,705</b>

These financial statements at 1 January - 31 December 2021 and for the year then ended were approved for issue by the Board of Directors of Pinar Entegre Et ve Un Sanayii A.Ş. on 1 March 2022. General Assembly and specified regulatory bodies have the right to make amendments after statutory consolidated financial statements issued.

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020**  
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	Notes	31 December 2021	31 December 2020
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short-term borrowings		29,000,000	7,633,106
- Short-term borrowings to third parties		29,000,000	7,633,106
- Bank borrowings	15	29,000,000	7,633,106
- Financial lease liabilities	15	-	-
Short-term portion of long-term borrowings		88,026,026	1,554,762
- Short-term portion of long-term borrowings from third parties		88,026,026	1,554,762
- Bank borrowings	15	86,881,612	342,125
- Borrowings from lease liabilities	15	1,144,414	1,212,637
Other financial liabilities	15	14,148,192	4,408,539
- Other miscellaneous financial liabilities		14,148,192	4,408,539
Trade payables		231,732,333	142,942,317
- Trade payables due to related parties	5	37,317,325	24,052,229
- Trade payables due to third parties	6	194,415,008	118,890,088
Payables related to employee benefits	17	5,340,792	2,789,376
Other payables		7,996,322	22,165,049
- Other payables due to related parties	5	3,237,011	8,517,758
- Other payables due to third parties	7	4,759,311	13,647,291
Deferred income		323,672	808,080
- Deferred income from third parties	10	323,672	808,080
Current income tax liabilities	28	-	4,177,518
Short-term provisions		1,356,150	1,136,198
- Short-term provision for employee benefits	17	1,102,785	779,871
- Other short-term provisions	16	253,365	356,327
Other current liabilities		4,345	57,679
- Other current liabilities due to third parties	19	4,345	57,679
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>377,927,832</b>	<b>187,672,624</b>
<b>Long-Term Liabilities</b>			
Long-term borrowings	15	36,072,518	72,770,446
- Long-term borrowing due to third parties		36,072,518	72,770,446
- Bank borrowings	15	33,041,342	70,000,000
- Borrowings from lease liabilities	15	3,031,176	2,770,446
Long-term provisions		53,264,858	39,330,203
- Long-term provisions for employee termination benefits	17	53,264,858	39,330,203
Deferred income tax liabilities	28	69,214,586	25,849,161
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>158,551,962</b>	<b>137,949,810</b>
<b>TOTAL LIABILITIES</b>		<b>536,479,794</b>	<b>325,622,434</b>

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



**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)****FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020**

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

	Notes	31 December 2021	31 December 2020
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent company</b>		<b>1,302,741,547</b>	<b>781,332,271</b>
Share capital	20	43,335,000	43,335,000
Adjustment to share capital	20	37,059,553	37,059,553
Other accumulated comprehensive income/(loss) that will not be reclassified to profit/(loss)		757,344,477	334,141,101
- Gains (losses) on revaluation and remeasurement		481,012,937	184,872,916
Increases (decreases) on revaluation of property, plant and equipment	11	502,507,386	200,578,955
- Actuarial loss arising from defined benefit plans		(21,494,449)	(15,706,039)
- Share of other comprehensive income of investments in associates accounted for using equity method that will not be reclassified to profit/(loss)		272,987,446	147,560,914
- Revaluation or classification earnings of assets at fair value through other comprehensive income	32	3,344,094	1,707,271
Other accumulated comprehensive income (loss) that will be reclassified to profit/(loss)		31,296,639	15,234,912
- Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/(loss)		31,296,639	15,234,912
Decrease/(Increase) due to other changes		(1,188,924)	(1,783,387)
Restricted reserves		56,451,815	49,491,256
- Legal reserves	20	56,451,815	49,491,256
Retained earnings		231,533,145	208,534,506
Net profit for the year		146,909,842	95,319,330
<b>TOTAL EQUITY</b>		<b>1,302,741,547</b>	<b>781,332,271</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,839,221,341</b>	<b>1,106,954,705</b>

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2021 AND 2020**  
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	Notes	1 January - 31 December 2021	1 January - 31 December 2020
<b>PROFIT OR LOSS</b>			
Revenue	21	1,117,558,769	841,317,099
Cost of sales	21	(935,012,494)	(696,855,240)
<b>Gross profit from trading operations</b>		<b>182,546,275</b>	<b>144,461,859</b>
Change in fair value of biological assets	9	2,574,581	(176,862)
<b>Gross profit</b>		<b>185,120,856</b>	<b>144,284,997</b>
General administrative expenses	22	(31,703,700)	(26,756,823)
Marketing expenses	22	(60,588,715)	(38,997,639)
Research and development expenses	22	(4,557,531)	(3,375,876)
Other income from operating activities	23	16,956,856	5,194,671
Other expense from operating activities	23	(3,102,812)	(6,139,787)
<b>OPERATING PROFIT</b>		<b>102,124,954</b>	<b>74,209,543</b>
Income from investment activities	24	29,251,002	10,327,280
Expense from investment activities	24	(163,247)	-
Share of results of investment-in-associates	3	44,910,929	23,039,969
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>176,123,638</b>	<b>107,576,792</b>
Financial income	26	11,449,044	4,936,994
Financial expense	26	(39,907,211)	(10,825,756)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>147,665,471</b>	<b>101,688,030</b>
Tax expense of continuing operations		(755,629)	(6,368,700)
- Current period tax expense	28	(2,179,437)	(7,890,207)
- Deferred tax income/(expense)	28	1,423,808	1,521,507
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>146,909,842</b>	<b>95,319,330</b>
<b>PROFIT FOR THE YEAR</b>		<b>146,909,842</b>	<b>95,319,330</b>
<b>Earnings per share</b>		<b>3,3901</b>	<b>2,1996</b>
Earnings per Kr 1 number of 100 shares			
from continuing operations	29	3,3901	2,1996

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME****FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2021 AND 2020**

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

	Notes	1 January - 31 December 2021	1 January - 31 December 2020
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>Other comprehensive income/(expense) that will not be reclassified to profit or loss:</b>		<b>429,615,584</b>	<b>66,594,236</b>
Gains on			
revaluation of property, plant and equipment	11	353,168,972	-
Losses on			
remeasurements of defined benefit plans	17	(7,235,510)	(4,696,808)
Share of other comprehensive income of associates accounted for using equity method that will not be reclassified to profit or loss		126,750,458	69,376,602
- Revaluation increases of property, plant and equipment of associates accounted for using equity method	3	114,528,742	-
Losses on remeasurements of defined benefit plans of associates accounted for using equity method	3	(795,861)	(2,046,018)
- Share of other comprehensive income of investments in associates accounted for using equity method that will not be reclassified to profit or loss		13,017,577	71,422,620
Revaluation or classification earnings of assets at fair value through other comprehensive income		1,636,823	975,080
Taxes relating to other comprehensive income that will not be reclassified to profit or loss		(44,705,159)	939,362
- Gains on revaluation of property, plant and equipment, tax effect		(46,152,259)	-
- Losses on remeasurements of defined benefit plans, tax effect	28	1,447,100	939,362
<b>Other Comprehensive Income that will be reclassified to Profit or Loss:</b>		<b>16,061,727</b>	<b>5,968,669</b>
- Gains on foreign currency translation differences of associates accounted for using equity method	3	16,061,727	5,968,669
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>445,677,311</b>	<b>72,562,905</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>592,587,153</b>	<b>167,882,235</b>

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





# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## STATEMENTS OF CASH FLOWS

### FOR THE PERIODS BETWEEN 1 JANUARY - 31 DECEMBER 2020 AND 2021

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

	Notes	1 January - 31 December 2021	1 January - 31 December 2020
<b>CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES:</b>		<b>115,801,824</b>	<b>50,376,173</b>
<b>Profit for the Year</b>		<b>146,909,842</b>	<b>95,319,330</b>
<b>Profit (Loss) for the Year from Continuing Activities</b>		<b>146,909,842</b>	<b>95,319,330</b>
<b>Adjustments Related to Reconciliation of</b>			
<b>Net Profit for The Year</b>		<b>(30,409,048)</b>	<b>1,035,065</b>
Adjustments for tax expense	28	755,629	6,368,700
Adjustments for depreciation and amortization	11.12	22,229,203	18,654,532
Adjustments for interest expense and interest income		9,177,786	(2,324,521)
- Adjustments for interest income	23.24.26	(19,139,697)	(12,625,482)
- Adjustments for interest expense	23.26	28,317,483	10,300,961
Adjustments for provisions		4,009,562	4,141,503
- Adjustments for provisions related with employee benefits	22.26	4,112,524	4,187,058
- Adjustments related to provisions (reversal) for lawsuits and/or penalty	16	(102,962)	(45,555)
Adjustments for profit shares (income) expense		(10,837)	(12,803)
Adjustments for undistributed profits of investments accounted for using equity method		(44,910,929)	(23,039,969)
- Adjustments for undistributed profits of associates	3	(44,910,929)	(23,039,969)
Adjustments for fair value losses (gains)		(16,641,443)	(1,767,749)
- Fair value of investment property			
Revisions on losses (gains)	24	(13,890,000)	(2,115,000)
- Adjustments for fair value losses (gains) of biological assets or agricultural products	9	(2,751,443)	347,251
Adjustments for fair value loss (reversal)		326,567	266,749
- Adjustments for decrease in fair value of inventories		326,567	80,715
- Adjustments for fair value decrease (reversal) in receivables	6	-	186,034
Adjustments for losses (gains) arises from sale of fixed assets		(39,804)	(16,997)
Adjustments for losses (gains) arises from sale of tangible assets	24	(39,804)	(16,997)
Adjustments for unrealized foreign currency translation differences		(5,304,782)	(1,234,380)
<b>Changes in Working Capital</b>		<b>16,465,332</b>	<b>(36,276,312)</b>
Adjustments related to (increase)/decrease in trade receivables		(36,493,382)	(40,833,990)
- (Increase)/decrease in trade receivables from related parties	5	(16,944,629)	(40,638,309)
- Increase in trade receivables from non-related parties		(19,548,753)	(195,681)
Adjustments related to decrease/(increase) in inventories		(20,929,159)	(27,061,595)
Decrease/(increase) in biological assets		(9,989,372)	(4,385,500)
Adjustments related to decrease/(increase) in other receivables		43,723	(84,011)
Decrease/(increase) in other receivables related with operations from non-related parties		43,723	(84,011)
(Increase)/decrease in prepaid expenses		(3,254,519)	786,994
Adjustments for (decrease)/increase in trade payables		87,271,280	31,129,201
-(Decrease)/increase in trade payables to related parties	5	13,265,096	747,719
- Increase in trade payables to non-related parties		74,006,184	30,381,482
Increase/(decrease) in payables related to employee benefits		2,551,416	348,861
Increase/(decrease) in deferred income		(484,408)	554,954
Other adjustments for other increase in working capital		(2,250,247)	3,268,774
- Increase in other assets related with operations		(3,131,967)	(13,012)
- Increase in other liabilities related with operations		881,720	3,281,786
<b>Cash Flows from Operations</b>		<b>132,966,126</b>	<b>60,078,083</b>
Payments related with provisions for employee benefits		(9,385,745)	(3,889,703)
Income taxes (paid) refund		(7,778,557)	(5,812,207)

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****STATEMENTS OF CASH FLOWS**

FOR THE PERIODS BETWEEN 1 JANUARY - 31 DECEMBER 2020 AND 2021

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

	Notes	1 January - 31 December 2021	1 January - 31 December 2020
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(68,585,912)</b>	<b>(94,315,677)</b>
Interest received		19,139,697	12,625,482
Dividends received	5	11,863,247	1,716,346
Collections/(paybacks) from cash advances and loans made		(25,115,569)	(81,007,561)
- Collections/(paybacks) from cash advances and loans made to related parties		(25,115,569)	(81,007,561)
Cash advances and loans made to other parties		(912,233)	-
- Other Cash Advances and Loans Made to Other Parties		(912,233)	-
Cash outflows due to purchase of fixed assets		(73,962,962)	(30,308,210)
- Cash outflows due to purchase of tangible assets		(71,166,984)	(28,013,989)
- Cash outflows due to purchase of intangible assets		(2,795,978)	(2,294,221)
Cash inflows from sales of fixed assets		401,908	16,997
- Cash inflows from sales of tangible assets		401,908	16,997
Cash inflows of affiliates and / or joint ventures due to share sales or capital decrease		-	2,641,269
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(29,122,584)</b>	<b>35,003,527</b>
Cash inflows from financial borrowings		143,915,967	119,683,649
- Cash inflows from loans		134,176,314	118,930,458
- Cash inflows from other financial liabilities		9,739,653	753,191
Cash outflows from payments		(69,047,690)	(46,185,783)
- Cash outflows for loan repayments		(69,047,690)	(46,185,783)
Payments of lease liabilities		(2,292,181)	(903,579)
Interest paid		(14,822,555)	(5,112,682)
Dividends paid		(86,876,125)	(32,478,078)
<b>Net Increase in Cash and Cash Equivalents Before Effect of Foreign Currency Translation Differences</b>		<b>18,093,328</b>	<b>(8,935,977)</b>
<b>EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>2,202,992</b>	<b>267,642</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>20,296,320</b>	<b>(8,668,335)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>22,875,684</b>	<b>31,544,019</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>43,172,004</b>	<b>22,875,684</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 PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021

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

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

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

The Company is a member of Yaşar Group. Majority of the Company's sales in the domestic market amounting approximately 74% (2020: 78%) are made to its investment-in-associate, Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. ('YBP'), and majority of the exports are made to Yaşar Dış Ticaret A.Ş. ('YDT'), which are both Yaşar Group companies (Note 5).

Company shares are traded on Borsa İstanbul ('BIST'). The ultimate parent of the Company is Yaşar Holding A.Ş. ('Yaşar Holding') with as of 31 December 2021 54% shares of the Company (31 December 2020: 54%) (Note 20).

The average number of personnel is 823 as of 31 December 2021 (31 December 2020: 736 personnel).

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

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

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

##### 2.1 Basis of Presentation

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

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

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**  
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

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

**2.2 Amendments in International Financial Reporting Standards**

**a) Standards, amendments and interpretations applicable as at 31 December 2021:**

- **Amendments to, TFRS 7, TFRS 4 and TFRS 16 - The benchmark interest rate reform Phase 2;** effective from Annual periods beginning on or after 1 January 2021. These Phase 2 amendments address issues arising from the implementation of reforms, including replacing a benchmark interest rate with an alternative. Phase 2 changes provide temporary additional ease in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by the IBOR reform. This change has no effect on the financial position and performance of the Company.
- b) New standards, amendments and interpretations issued and effective as of 31 December 2021 have not been presented since they are not relevant to the operations of the Company or have insignificant impact on the financial statements.**

**c) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:**

- **Amendments to TFRS 16 "Leases - COVID 19 Lease concessions";** effective from annual periods beginning on or after 1 June 2022. Due to the COVID-19 outbreak, some concessions were provided to tenants in rent payments. These concessions can take a variety of forms, including suspension or postponement of lease payments. On May 28, 2020, with the amendment to the TFRS 16 Leases standard, the TASB introduced an optional facilitating application for tenants to not evaluate whether the privileges granted due to COVID-19 in lease payments are a change in the lease. Tenants may choose to account for such lease concessions in accordance with the provisions that apply in the absence of a change to the lease. This ease of implementation often causes the lease concession to be accounted for as variable lease payment in periods when an event or condition that triggers a reduction in lease payments occurs.

**Amendment to TAS 1, "Presentation of financial statements" regarding the classification of liabilities;** effective from Annual periods beginning on or after 1 January 2024. These narrow-scope amendments to TAS 1, "Presentation of financial statements", explain that liabilities are classified as current or non-current, depending on the rights existing at the end of the reporting period. The amendment also clarifies what TAS 1 means to "settle" a liability.

- **Narrow amendments in TFRS 3, TAS 16, TAS 37 and some annual improvements in TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022
  - o Amendments to TFRS 3 'Business Combinations'; This amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.



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

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021

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

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

##### 2.2. Amendments in International Financial Reporting Standards (Continued)

##### c) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021 (Continued):

- Amendments to TAS 16 'Tangible fixed assets'; prohibits a company from deducting the income from the sale of manufactured products from the amount of the tangible fixed asset until the asset is ready for use. Instead, the company will reflect such sales revenue and related cost in profit or loss.
- Amendments to TAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'; this amendment specifies what costs a company involves when deciding whether to lose from a contract.

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

- Narrow changes in TAS 1, Application Statement 2 and TAS 8, effective from Annual periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.
- TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction, effective from Annual periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.

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

##### 2.3 Basis of Consolidation

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

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

**2.3 Basis of Consolidation (Continued)**

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

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

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

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

The table below sets out the associates and the proportion of ownership interest as of 31 December 2021 and 2020 (Note 3):

<u>Investments-in-associates</u>	<b>Share/Voting Right (%)</b>	
	<b>2021</b>	<b>2020</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")	26.41	26.41

**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/IFRS. The assets and liabilities of foreign associate are translated into TRY from the foreign exchange rates at the balance sheet date, and the statement of comprehensive income items of foreign associate are translated into TRY at the average foreign exchange rates in the period. As of 31 December 2021, the equivalent of EUR 1 is TRY14,6823 (31 December 2020: TRY9,0079) and for the year then ended, the average equivalent of EUR 1 is TRY 10,4687 (31 December 2020: TRY8,0278). Exchange differences arising from re-translation of the opening net assets of investment-in-associate and the differences between the average and year-end rates are included in the share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit or loss under the equity as a separate component.

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**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.3 Basis of Consolidation (Continued)*****Functional and reporting currency***

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

**2.4 Offsetting**

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

**2.5 Comparative Information**

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 31 December 2021 on a comparative basis with balance sheet at 31 December 2020; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2021 on a comparative basis with financial statements for the period of 1 January - 31 December 2020.

**2.6 Summary of Significant Accounting Policies**

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

**2.6.1 TFRS 16 - 'Leases'*****The Company as the lessee***

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

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

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

- 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).

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.



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### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021

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

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

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

###### 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.

###### 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.

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

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

**2.6.2 Revenue recognition**

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

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

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

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

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

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

***Revenue from product sales***

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies (Continued)****2.6.2 Revenue recognition (Continued)**

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

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

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

**2.6.3 Financial assets'*****Classification and measurement***

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

**(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 calculation as of 31 December 2020 and 31 December 2021 the expected credit losses calculation has no significant effect on the year-end financial statements.

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

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

**2.6.3 Financial assets' (Continued)**

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

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

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

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

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

**2.6.4 Inventories**

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

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



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**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies (Continued)****2.6.5 Biological assets**

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

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

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

**2.6.6 Property, plant and equipment**

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

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

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

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

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

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

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

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

	<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). 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.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies (Continued)****2.6.7 Intangible assets**

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

**2.6.8 Investment property**

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

**2.6.9 Impairment of assets**

*Impairment of financial assets:*

- Assets carried at amortized cost

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

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

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

**2.6.9 Impairment of assets (Continued)**

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.



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**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies (Continued)****2.6.9 Impairment of assets (Continued)***Impairment of non-financial assets:*

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

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

**2.6.10 Borrowing and borrowing costs**

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

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

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

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

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

**2.6.11 Going concern**

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

**2.6.12 Earnings per share**

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

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

**2.6.13 Subsequent events**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

##### 2.6.16 Related parties

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

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

The person concerned:

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

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

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

**2.6.16 Related parties (Continued)**

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

**2.6.17 Segment reporting**

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

**2.6.18 Taxation on income**

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



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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies(Continued)****2.6.18 Taxation on income(Continued)**

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

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

**2.6.19 Statement of cash flows**

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

**2.6.20 Share capital and dividends**

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

**2.6.21 Government grants and incentives**

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

**2.6.22 Research and development expenses**

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

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

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

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

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

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

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

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

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

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

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

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.6 Summary of Significant Accounting Policies (Continued)****2.6.23 Significant accounting assessments, estimates and assumptions (Continued)**

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

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

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

**b) Provision for employment termination benefits**

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

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

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

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

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

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

**d) Recoverability of trade receivables**

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

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

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

**NOTE 3 - INTEREST IN OTHER ENTITIES**

**Investments-in-associates:**

	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>TRY</b>	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>
YBP	324,680,801	42.78	240,967,899	42.78
Çamlı Yem	113,311,785	23.38	54,633,182	23.38
Desa Enerji	28,828,519	26.41	12,791,416	26.41
Pinar Foods	41,758,290	44.94	24,048,299	44.94
<b>Total</b>	<b>508,579,395</b>		<b>332,440,796</b>	

Movement in investments-in-associates during the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
<b>1 January</b>	<b>332,440,796</b>	<b>237,886,622</b>
Share of (losses) / profit before taxation of investments-in-associates - net	44,910,927	23,039,969
Increase in revaluation reserve of investments-in-associates	114,528,742	-
Losses on remeasurements of investment defined benefit plans	(795,861)	(2,046,018)
Dividend income from investments-in-associates (Note 5.ii.e)	(11,852,412)	(1,703,544)
Purchase of affiliate shares (Capital reduction)	-	(2,641,268)
Currency translation reserve	16,061,727	5,968,669
Elimination of net effect of unrealized profits on inventory	(326,564)	(80,715)
(Decrease) / increase due to other changes (Note 2.3)	594,463	594,461
Other gains (losses) of associates accounted for using equity method	13,017,577	71,422,620
<b>31 December</b>	<b>508,579,395</b>	<b>332,440,796</b>



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## NOTES TO THE FINANCIAL STATEMENTS

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

Details of significant investment-in-associates of the Company as of 31 December 2021 and 2020 are as follows:

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

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

	YBP		Çamlı Yem		Desa Enerji		Pinar Foods	
Statement of Summary Financial Position	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Current Assets</b>								
Cash and Cash equivalents	34,147,803	54,136,095	14,637,003	2,195,504	13,619,763	7,186,809	35,522,664	38,065,332
Other Current Assets	574,059,187	428,529,494	684,292,137	423,266,276	31,240,789	11,829,521	57,843,035	21,478,896
<b>Total Current Assets</b>	<b>608,206,990</b>	<b>482,665,589</b>	<b>698,929,140</b>	<b>425,461,780</b>	<b>44,860,552</b>	<b>19,016,330</b>	<b>93,365,700</b>	<b>59,544,227</b>
<b>Non-Current Assets</b>	<b>806,582,654</b>	<b>593,296,580</b>	<b>714,895,307</b>	<b>375,846,796</b>	<b>102,498,131</b>	<b>43,979,183</b>	<b>8,886,409</b>	<b>6,447,585</b>
<b>Short-Term Liabilities</b>								
Financial Liabilities (Excluding Trade Payables)	54,511,370	49,410,302	399,964,296	247,988,966	169,032	42,996	3,133,044	1,601,513
Other Short Term Liabilities	637,273,577	521,106,972	343,618,723	206,620,477	24,662,911	12,673,752	305,175	5,981,940
<b>Total Short-Term Liabilities</b>	<b>691,784,947</b>	<b>570,517,274</b>	<b>743,583,019</b>	<b>454,609,443</b>	<b>24,831,943</b>	<b>12,716,748</b>	<b>3,438,219</b>	<b>7,583,453</b>
<b>Long-Term Liabilities</b>								
Financial Liabilities (Excluding Trade Payables)	15,987,793	17,140,652	62,959,654	73,934,269	868,242	739,485	5,893,781	4,896,335
Other Long-Term liabilities	59,466,923	35,419,414	122,629,143	39,112,101	12,508,383	1,106,561	-	-
<b>Total Long-Term Liabilities</b>	<b>75,454,716</b>	<b>52,560,066</b>	<b>185,588,797</b>	<b>113,046,370</b>	<b>13,376,625</b>	<b>1,846,046</b>	<b>5,893,781</b>	<b>4,896,335</b>
<b>Net Assets</b>	<b>647,549,981</b>	<b>452,884,829</b>	<b>484,652,631</b>	<b>233,652,763</b>	<b>109,150,114</b>	<b>48,432,719</b>	<b>92,920,109</b>	<b>53,512,025</b>

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

Reconciliation of Net Book Values	YBP		Çamlı Yem		Desa Enerji		Pinar Foods	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>1 January Opening Value of Net Assets</b>	<b>452,884,829</b>	<b>277,702,028</b>	<b>233,652,763</b>	<b>180,340,087</b>	<b>48,432,719</b>	<b>54,718,897</b>	<b>53,512,025</b>	<b>35,860,990</b>
<i>Profit(Loss) for the year</i>	83,229,947	34,509,708	19,078,442	17,176,942	19,094,503	9,870,539	4,011,310	4,333,565
<i>Other Comprehensive Income(Expense)</i>	136,348,765	140,673,092	231,921,428	36,135,733	49,489,978	179,532	-	-
<i>Dividends paid</i>	(24,913,561)	-	-	-	(7,867,087)	(6,336,248)	-	-
<i>Capital decrease</i>	-	-	-	-	-	(10,000,000)	-	-
<i>Foreign currency translation differences</i>	-	-	-	-	-	-	35,396,773	13,317,473
<b>Closing Value of Net Assets</b>	<b>647,549,980</b>	<b>452,884,828</b>	<b>484,652,632</b>	<b>233,652,763</b>	<b>109,150,113</b>	<b>48,432,720</b>	<b>92,920,107</b>	<b>53,512,027</b>
Company's share in %	42.78%	42.78%	23.38%	23.38%	26.41%	26.41%	44.94%	44.94%
Company's share in TRY	324,680,801	240,967,899	113,311,785	54,628,016	28,828,519	12,791,081	41,758,290	24,048,306
<b>Book Value</b>	<b>324,680,801</b>	<b>240,967,899</b>	<b>113,311,785</b>	<b>54,628,016</b>	<b>28,828,519</b>	<b>12,791,081</b>	<b>41,758,290</b>	<b>24,048,306</b>

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

Summary Comprehensive Income Statement	YBP		Çamlı Yem		Desa Enerji		Pınar Foods	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Revenue	3,486,632,759	2,712,142,692	1,029,045,019	784,716,033	139,609,376	81,651,427	163,091,185	136,703,316
Interest Income	1,911,348	-	453,840	291,537	1,405,003	188,877	-	-
Depreciation and amortization	(16,733,950)	(17,714,771)	(18,766,932)	(20,294,508)	(7,595,554)	(6,458,709)	(72,613)	(36,801)
Interest Expense	(13,102,618)	(14,440,259)	(51,483,042)	(39,432,929)	-	-	-	-
Income Tax Expense	(13,349,590)	(7,408,633)	-	-	(5,266,281)	(2,591,755)	(1,806,339)	(2,200,777)
<b>Profit Before the Year From Continuing Operations</b>	<b>83,229,947</b>	<b>34,509,708</b>	<b>19,078,442</b>	<b>17,176,942</b>	<b>19,094,503</b>	<b>9,870,539</b>	<b>4,011,310</b>	<b>4,333,565</b>
<b>Profit(Loss) for the Year</b>	<b>83,229,947</b>	<b>34,509,708</b>	<b>19,078,442</b>	<b>17,176,942</b>	<b>19,094,503</b>	<b>9,870,539</b>	<b>4,011,310</b>	<b>4,333,565</b>
Other Comprehensive Income(Expense)	136,348,765	140,673,092	231,921,428	36,135,733	49,489,978	179,532	-	-
<b>Total Comprehensive Income</b>	<b>219,578,712</b>	<b>175,182,800</b>	<b>250,999,870</b>	<b>53,312,675</b>	<b>68,584,481</b>	<b>10,050,071</b>	<b>4,011,310</b>	<b>4,333,565</b>

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

	31 December 2021	31 December 2020
Cash in hand	29,801	30,969
Banks	36,725,820	18,913,987
- Demand deposits	2,149,382	513,987
- Time deposits	34,576,438	18,400,000
Other	6,416,383	3,930,728
<b>Total</b>	<b>43,172,004</b>	<b>22,875,684</b>

As of 31 December 2021, the company has time deposits less than one month with an 23.35% effective weighted average annual interest rate in TRY (31 December 2020: The Company has time deposits less than one month with an 17,6% effective weighted average annual interest rate in TRY).

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

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

Due from and due to related parties and the transactions with related parties as of and for the years ended 31 December 2021 and 2020 are as follows:

**i) Balances with related parties:**

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

	31 December 2021	31 December 2020
YBP <sup>(1)</sup>	132,494,053	126,691,210
YDT <sup>(2)</sup>	31,461,911	11,552,509
Other	120,325	4,097
<b>Total</b>	<b>164,076,289</b>	<b>138,247,816</b>

Average maturity of short-term trade receivables from related parties as of 31 December 2021 is 3 months (31 December 2020: 2 months).

The total overdue trade receivables from related parties includes TRY 21,834,818 as of 31 December 2021 (31 December 2020: TRY 7,827,503). The aging of the receivables is shown at Note 33.a.

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

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

	31 December 2021	31 December 2020
Yaşar Holding <sup>(3)</sup>	116,277,220	21,084,253
Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("Dyo Boya") <sup>(2)</sup>	-	77,398
<b>Total</b>	<b>116,277,220</b>	<b>21,161,651</b>

As of 31 December 2021, the Company has non-trade receivables amounting to TRY26,277,200 from Yaşar Holding with an effective interest rate of 19.75% and for denominated receivables, respectively (31 December 2020: Non-trade receivables amounting to TRY21,084,253 with an effective interest rate of 20.25%).

As of 31 December 2021, the Company has a transfer loan of TRY90,000,000 to Yaşar Holding with an interest rate of 16.01% (31 December 2020: None).

##### c) Long-term other receivables from related parties:

Yaşar Holding	-	70,000,000
<b>Total</b>	<b>-</b>	<b>70,000,000</b>

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

Çamlı Yem <sup>(1)</sup>	32,801,861	20,800,032
Yaşar Holding	3,650,286	2,898,616
Hedef Ziraat Tic. ve San. A.Ş. ("Hedef Ziraat") <sup>(4)</sup>	292,860	94,351
Other	572,318	259,230
<b>Total</b>	<b>37,317,325</b>	<b>24,052,229</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 2021 is 2 months (31 December 2020: 2 months).

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

As of 31 December 2021, TRY3,237,011 of other short-term payables to related parties consists of the allocation of the board of directors based on the decision taken at the Ordinary General Assembly Meeting held on 25 March 2021 (31 December 2020: TRY 8,517,758 part, 25 March 2020, 28 March 2019, 30 March 2018, based on the decisions taken at the Ordinary General Assembly Meetings, respectively, TRY1,800,000, TRY 2,280,000, TRY 1,157,011 dividend to be paid and TRY 3,280,747 dividend paid to the group companies on 5 January 2021).



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

**ii) Transactions with related parties:**

**a) Product sales:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
YBP	834,227,284	659,142,920
YDT	37,310,104	36,366,045
Çamlı Yem	9,635,085	5,325,714
Other	1,020,567	314,639
<b>Total</b>	<b>882,193,040</b>	<b>701,149,318</b>

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

**b) Service sales:**

YDT	885,552	1,544,313
Yaşar Bilgi A.Ş. ("Yabim") <sup>(2)</sup>	474,468	79,395
YBP	235,684	95,904
Pınar Süt Mamülleri Sanayi A.Ş. ("Pınar Süt") <sup>(2)</sup>	94,667	69,748
Çamlı Yem	18,245	68,519
Other	409,389	364,446
<b>Total</b>	<b>2,118,005</b>	<b>2,222,325</b>

**c) Income from financing activities:**

Yaşar Holding	-	669,819
<b>Total</b>	<b>-</b>	<b>669,819</b>

**d) Income from investment activities:**

Yaşar Holding	15,220,645	8,182,480
<b>Total</b>	<b>15,220,645</b>	<b>8,182,480</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.

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**NOTE 5 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)****ii) Transactions with related parties (Continued):****e) Dividends received:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
YBP (*)	9,845,864	-
Desa Enerji (*)	2,006,548	1,703,544
Bintur Turizm ve Catering Hizmetleri A.Ş. ("Bintur") <sup>(2)</sup>	10,835	12,802
<b>Total</b>	<b>11,863,247</b>	<b>1,716,346</b>

(\*) Subsidiary (Note 3).

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

YDT	11,945,431	1,956,841
YBP	2,512,793	1,945,503
Other	373,907	98,507
<b>Total</b>	<b>14,832,131</b>	<b>4,000,851</b>

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

**g) Product purchases:**

Çamlı Yem	191,776,457	179,585,283
Hedef Ziraat	2,995,132	1,148,675
Pınar Süt	770,381	561,325
Other	41,439	-
<b>Total</b>	<b>195,583,409</b>	<b>181,295,283</b>

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

**h) Service purchases:**

Yaşar Holding	12,838,912	10,625,486
YBP	4,683,127	4,169,703
Yabim	2,878,605	2,110,490
YDT	1,984,810	1,600,436
Bintur	100,658	58,186
Other	2,298,364	1,186,919
<b>Total</b>	<b>24,784,476</b>	<b>19,751,220</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.

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

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

**i) Purchases of property, plant and equipment and intangible assets:**

	1 January - 31 December 2021	1 January - 31 December 2020
Yabim	97,397	158,821
DYO Boya	20,255	-
<b>Total</b>	<b>117,652</b>	<b>158,821</b>

**j) Other operating expenses:**

Çamlı Yem	243,033	191,688
YBP	162,118	-
Yaşar Holding	25,051	82,435
Other	9,146	3,217
<b>Total</b>	<b>439,348</b>	<b>277,340</b>

Other operating expenses of the Company consist of interest expense on term sales and interest expense related with operating activities.

**k) Financial expenses from related parties:**

YDT	461,406	69,152
Other	72,158	4,730
<b>Total</b>	<b>533,564</b>	<b>73,882</b>

**l) Other operating expenses:**

YDT	1,234,176	1,638,359
Çamlı Yem	419,001	372,827
Other	29,824	32,622
<b>Total</b>	<b>1,683,001</b>	<b>2,043,808</b>

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

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

	1 January - 31 December 2021	1 January - 31 December 2020
<b>m) Dividends to related parties (*):</b>		
Yaşar Holding	35,684,880	21,129,205
Pınar Süt	8,286,663	4,906,577
Yaşar Eğitim ve Kültür Vakfı <sup>(2)</sup>	2,153,140	1,043,224
Other	3,784,611	1,800,000
<b>Total</b>	<b>49,909,294</b>	<b>28,879,006</b>

(\*) In the Ordinary General Assembly Meeting for the year 2021 as of 25 March 2021, it has been decided to distribute dividend amounting to TRY71,772,340 (31 December 2020: TRY41,844,724). TRY21,863,046 portion of this dividend (31 December 2020: TRY12,965,717) was paid to other shareholders.

##### n) Donations:

Yaşar Eğitim ve Kültür Vakfı	-	3,107,816
<b>Total</b>	<b>-</b>	<b>3,107,816</b>

##### o) 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:

Total short-term employee benefits	9,481,795	5,571,253
Other long-term benefits	413,214	160,522
<b>Total</b>	<b>9,895,009</b>	<b>5,731,775</b>

The portion of total short-term benefits amounting to TRY3,750,000 (31 December 2020: TRY1,800,000) consists of Board of Directors appropriation according to the decision taken at the Ordinary General Assembly.

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**NOTE 6 - TRADE RECEIVABLES AND PAYABLES**

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

	<b>31 December 2021</b>	<b>31 December 2020</b>
Customer current accounts	38,336,501	19,931,093
Cheques and notes receivable	5,647,894	2,949,015
	<b>43,984,395</b>	<b>22,880,108</b>
Less: Provision for impairment of receivables	(1,391,914)	(1,392,161)
	<b>42,592,481</b>	<b>21,487,947</b>

The average maturity of checks, notes and customer accounts is 2 months (31 December 2020: 2 months).

The aging of trade receivables as of 31 December 2021 and 2020 are as follows:

Overdue	3,180,173	3,263,991
0 - 30 days	16,954,023	10,147,298
31 - 60 days	18,878,438	6,592,800
61 - 90 days	1,479,847	745,088
91 days and over	2,100,000	738,770
<b>Total</b>	<b>42,592,481</b>	<b>21,487,947</b>

As of 31 December 2021, trade receivables of TRY3,180,173 (31 December 2020: TRY3,263,991), 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 2021, and 2020, the aging of the overdue receivables are as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
0 - 30 days	2,887,088	2,974,730
30 days and over	293,085	289,261
<b>Total</b>	<b>3,180,173</b>	<b>3,263,991</b>

Movement table of doubtful receivable provision is as follows:

<b>1 January</b>	<b>1,392,161</b>	<b>1,230,031</b>
Provisions no longer required	(247)	(23,904)
Provision for reserved amount	-	186,034
<b>31 December</b>	<b>1,391,914</b>	<b>1,392,161</b>



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**NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)****b) Short-term trade payables :**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Supplier current accounts	194,415,008	118,890,088
<b>Total</b>	<b>194,415,008</b>	<b>118,890,088</b>

The average maturity of trade payables is one month (31 December 2020: One month).

**NOTE 7 - OTHER RECEIVABLES AND PAYABLES****a) Short-term other payables :**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Taxes and funds payable	4,713,383	5,265,604
Other	45,928	8,381,687
<b>Total</b>	<b>4,759,311</b>	<b>13,647,291</b>

**NOTE 8 - INVENTORIES**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Raw materials	29,345,102	16,035,406
Raw materials in transit	3,961,677	1,367,345
Work in progress	32,587,160	44,365,967
Finished goods	30,346,151	15,713,447
Spare parts	8,606,969	7,786,790
Other	2,621,244	1,270,189
<b>Total</b>	<b>107,468,303</b>	<b>86,539,144</b>

The costs of inventories recognized as expense and included in cost of sales amounted to TRY770,837,231 (31 December 2020: TRY568,614,821) (Note 18). Inventories are carried at cost, and there are no inventories valued at fair value less costs to sell.

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**NOTE 9 - BIOLOGICAL ASSETS**

	31 December 2021	31 December 2020
Cattle	30,004,552	17,263,737
<b>Total</b>	<b>30,004,552</b>	<b>17,263,737</b>

The Company raises of livestock comprising calf for slaughter. As of 31 December 2021, there are total of 1,749 units (31 December 2020: 1,547 units).

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

	2021	2020
<b>Beginning of the period (1 January)</b>	<b>17,263,737</b>	<b>13,225,488</b>
Increase due to production and purchases	25,331,371	15,812,272
Sales and mortality during the year	(15,341,999)	(11,426,772)
Gain / (losses) arising from changes in fair value less estimated point-of-sale costs-net	2,574,581	(176,862)
Current year realization of previous year fair value differences through current year sales	176,862	(170,389)
<b>Period end (31 December)</b>	<b>30,004,552</b>	<b>17,263,737</b>

**NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME****a) Short-term prepaid expenses**

	31 December 2021	31 December 2020
Advances given	3,437,852	711,110
Prepaid expenses	904,825	377,048
<b>Total</b>	<b>4,342,677</b>	<b>1,088,158</b>

**b) Long-term prepaid expenses**

Advances given	1,067,688	155,455
<b>Total</b>	<b>1,067,688</b>	<b>155,455</b>

**c) Deferred income**

Advances received	323,672	808,080
<b>Total</b>	<b>323,672</b>	<b>808,080</b>

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

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

	1 January 2021	Additions	Disposals	Transfers	Net off Accumulated Depreciation Before Revaluation	Increase in Revaluation	31 December 2021
<b>Cost/revaluation:</b>							
Land	165,122,476	-	-	-	-	168,298,504	333,420,980
Buildings and land improvements	80,467,127	153,969	-	4,070,937	(5,753,091)	57,632,530	136,571,472
Machinery and equipment	129,820,447	59,989,646	(1,279,929)	1,619,034	(33,783,205)	127,237,938	283,603,931
Furniture and fixtures	48,446,652	3,438,694	(821,796)	166,813	-	-	51,230,363
Motor vehicles	2,589,499	2,066,700	(11,305)	-	-	-	4,644,894
Construction in progress	338,809	5,517,975	-	(5,856,784)	-	-	-
	<b>426,785,010</b>	<b>71,166,984</b>	<b>(2,113,030)</b>	<b>-</b>	<b>(39,536,296)</b>	<b>353,168,972</b>	<b>809,471,640</b>
<b>Accumulated depreciation (-):</b>							
Buildings and land improvements	(2,853,546)	(2,899,545)	-	-	5,753,091	-	-
Machinery and equipment	(21,812,472)	(12,888,558)	917,825	-	33,783,205	-	-
Furniture and fixtures	(37,686,806)	(2,691,043)	821,796	-	-	-	(39,556,053)
Motor vehicles	(2,315,245)	(602,384)	11,305	-	-	-	(2,906,324)
	<b>(64,668,069)</b>	<b>(19,081,530)</b>	<b>1,750,926</b>	<b>-</b>	<b>39,536,296</b>	<b>-</b>	<b>(42,462,377)</b>
<b>Net book value</b>	<b>362,116,941</b>						<b>767,009,263</b>

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

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

Movements of property, plant and equipment and accumulated depreciation between 1 January and 31 December 2020 were as follows:

	1 January 2020	Additions	Disposals	Transfers	31 December 2020
<b>Cost/revaluation:</b>					
Land	165,122,476	-	-	-	165,122,476
Buildings and land improvements	80,219,924	61,186	-	186,017	80,467,127
Machinery and equipment	100,750,447	23,382,235	-	5,687,765	129,820,447
Furniture and fixtures	46,278,700	3,938,426	(1,770,474)	-	48,446,652
Motor vehicles	2,589,499	-	-	-	2,589,499
Construction in progress	5,580,449	632,142	-	(5,873,782)	338,809
	<b>400,541,495</b>	<b>28,013,989</b>	<b>(1,770,474)</b>	<b>-</b>	<b>426,785,010</b>
<b>Accumulated depreciation (-):</b>					
Buildings and land improvements	-	(2,853,546)	-	-	(2,853,546)
Machinery and equipment	(10,513,045)	(11,299,427)	-	-	(21,812,472)
Furniture and fixtures	(36,797,902)	(2,659,378)	1,770,474	-	(37,686,806)
Motor vehicles	(2,079,872)	(235,373)	-	-	(2,315,245)
	<b>(49,390,819)</b>	<b>(17,047,724)</b>	<b>1,770,474</b>	<b>-</b>	<b>(64,668,069)</b>
<b>Net book value</b>	<b>351,150,676</b>				<b>362,116,941</b>

The additions of machinery and equipment in 2020 consists packaging line automations and modernization investments related to the production machineries.

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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 TRY14,572,873 (2020: TRY12,775,906), to the cost of inventories by TRY991,575 (2020: TRY985,138), to general administrative expenses by TRY2,155,754 (2020: TRY1,608,885) (Note 22.a), to marketing expenses by TRY2,818,116 (2020: TRY2,155,290) (Note 22.b), to research and development expenses by TRY1,690,884 (2020: TRY809,605) (Note 22.c).

Movements in revaluation reserve related to land, buildings, land improvements, machinery and equipment as of 31 December 2021 and 2020 were as follows:

<b>1 January 2020</b>	<b>205,783,531</b>
Depreciation transfers due to revaluation increase classified in retained earnings	(6,505,720)
Deferred tax calculated on the depreciation of the revaluation fund classified in retained earnings	1,301,144
<b>31 December 2020</b>	<b>200,578,955</b>
<b>1 January 2021</b>	<b>200,578,955</b>
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements, machinery and equipment - net	197,574,678
Funds increase due to revaluation of machinery, plant and equipment	101,790,350
Deferred tax calculated on valuation within the scope of Law No. 7326	7,651,688
Funds disposal due to sale of property, plant and equipment	(198,753)
Depreciation transfers due to revaluation increase classified in retained earnings - net	(6,111,915)
Deferred tax calculated on the depreciation of the revaluation fund classified in retained earnings	1,222,383
<b>31 December 2021</b>	<b>502,507,386</b>

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 2021 and 2020, are as follows:

	<b>Land</b>	<b>Land, improvements and buildings</b>	<b>Machinery and equipment</b>
<b>31 December 2021:</b>			
Cost	16,941,447	65,559,204	250,153,216
Less: Accumulated depreciation	-	(30,945,814)	(120,990,384)
<b>Net book value</b>	<b>16,941,447</b>	<b>34,613,390</b>	<b>129,162,832</b>
<b>31 December 2020:</b>			
Cost	16,941,447	61,334,299	189,824,465
Less: Accumulated depreciation	-	(25,956,153)	(113,786,342)
<b>Net book value</b>	<b>16,941,447</b>	<b>35,378,146</b>	<b>76,038,123</b>



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**DİPNOT 12 - INTANGIBLE ASSETS**

The movements of intangible assets and related accumulated amortization for the years ended 31 December 2021 and 2020 were as follows:

	1 January 2021 Opening	Additions	31 December 2021 Closing
<b>Costs:</b>			
Rights	23,584,759	2,795,981	26,380,740
Accumulated amortization	(19,853,242)	(1,777,078)	(21,630,320)
<b>Net book value</b>	<b>3,731,517</b>		<b>4,750,420</b>
	1 January 2020 Opening	Additions	31 December 2020 Closing
<b>Costs:</b>			
Rights	21,290,538	2,294,221	23,584,759
Accumulated amortization	(18,805,264)	(1,047,978)	(19,853,242)
<b>Net book value</b>	<b>2,485,274</b>		<b>3,731,517</b>

**NOTE 13 - INVESTMENT PROPERTIES**

The movements of investment properties in the accounting periods of 1 January - 31 December 2021 and 2020 are as follows:

	1 January 2021	Fair Value Increase (Note 24.a)	31 December 2021
<b>Fair value:</b>			
Land, buildings and building improvements	23,230,000	13,890,000	37,120,000
<b>Total</b>	<b>23,230,000</b>	<b>13,890,000</b>	<b>37,120,000</b>
	1 January 2020	Fair Value Increase (Note 24.a)	31 December 2020
<b>Fair value:</b>			
Land, buildings and building improvements	21,115,000	2,115,000	23,230,000
<b>Total</b>	<b>21,115,000</b>	<b>2,115,000</b>	<b>23,230,000</b>

There is TRY345,692 rental income from investment properties in 2021 (2020:TRY75,939).

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#### NOTE 14 - GOVERNMENT GRANTS AND INCENTIVES

There are government incentives provided by under secretariat of Foreign Trade to the Company in the scope of Turquality project applied for support brandization of products made in Turkey in foreign markets and settle the image of Turkish goods. In the respect of the World Trade Organization Agriculture Agreement, incentive which is related with agricultural products are sold in foreign markets was given with the Minister of Council decision. In 2021, the Company recognized the government grant amounting to TRY462,899 (31 December 2020: TRY294,536) which was presented in other income.

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

#### NOTE 15 - BORROWINGS AND BORROWING COSTS

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

	31 December 2021	31 December 2020
Short-term borrowings		
- TRY borrowings (*)	29,000,000	7,633,106
Short-term portions of long-term borrowings (**)	86,881,612	342,125
Lease liabilities (****)	1,144,414	1,212,637
<b>Short-term financial liabilities</b>	<b>117,026,026</b>	<b>9,187,868</b>
Long-term borrowings (***)	33,041,342	70,000,000
Long-term lease liabilities (****)	3,031,176	2,770,446
<b>Long-term financial liabilities</b>	<b>36,072,518</b>	<b>72,770,446</b>
<b>Total financial liabilities</b>	<b>153,098,544</b>	<b>81,958,314</b>

(\*) TRY 9 Million of short-term financial debt consists of subsidized agricultural loans with an annual average interest rate of 7.5% as of 31 December 2021 (31 December 2020: 4.5%) In this period, revolving loans with an annual interest rate of 26.50% of TRY 20 million were also used.

(\*\*) As of December 31, 2021, TRY 70 million of short-term financial debts consists of spot loans with an annual average interest rate of 15.3%, maturity 2022 and investment loans with maturity between 2023-2026.

(\*\*\*) As of December 31, 2021, long-term financial debt interest rate of EUR 1.2 million equivalent to TRY 18.6 million is 4.1% per annum, with an investment loan with a maturity of 2024 and an annual interest rate with a maturity of 2023 and 2026. It consists of investment loans of 14.75%. (December 31, 2020: TRY 70 million consists of spot loans with an annual average interest rate of 15.3% and a maturity of 2022).

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

As of 31 December 2021, fair value of borrowings approximates to carrying amount.

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

##### b) Other financial liabilities:

Other financial liabilities	14,148,192	4,408,539
<b>Total</b>	<b>14,148,192</b>	<b>4,408,539</b>

As of 31 December 2021, and 2020, other financial liabilities consist of credit card debt.

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

Movement of net borrowings as of 31 December 2021 and 2020 are as follows:

	2021	2020
<b>1 January</b>	<b>63,419,169</b>	<b>(21,007,222)</b>
Cash inflows from borrowings	143,915,967	119,683,649
Cash outflows from debt payments	(69,047,690)	(46,185,783)
Lease liabilities - net	6,011,606	2,332,190
Change in cash and cash equivalents	(20,296,320)	8,668,335
<b>31 December (Note 33.d)</b>	<b>124,002,732</b>	<b>63,491,169</b>

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

**a) Short-term provisions:**

	31 December 2021	31 December 2020
Provision for litigations	253,365	356,327
<b>Total</b>	<b>253,365</b>	<b>356,327</b>

**b) Guarantees given:**

Letters of guarantee	920,821	534,478
<b>Total</b>	<b>920,821</b>	<b>534,478</b>

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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 2021 and 2020 were as follows:

	31 December 2021			31 December 2020		
	Currency	Amount	TRY Equivalent	Currency	Amount	TRY Equivalent
<b>CPM provided by the Company:</b>						
<b>A.</b> Total amount of CPM given for the Company's own legal personality	TRY	920,821	920,821	TRY	534,478	534,478
<b>B.</b> Total amount of CPM given on behalf of fully consolidated companies		-	-		-	-
<b>C.</b> Total amount of CPM given for continuation of its economic activities on behalf of third parties		-	-		-	-
<b>D.</b> Total amount of other CPM		-	-		-	-
<b>i.</b> Total amount of CPM given to on behalf of the majority shareholder		-	-		-	-
<b>ii.</b> Total amount of CPM given to on behalf of other Group companies which are not in scope of B and C		-	-		-	-
<b>iii.</b> Total amount of CPM given on behalf of third parties which are not in scope of C		-	-		-	-
<b>TOTAL</b>			<b>920,821</b>			<b>534,478</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:**

	31 December 2021			31 December 2020		
	Currency	Amount	TRY Equivalent	Currency	Amount	TRY Equivalent
Mortgages	TRY	9,500,000	9,500,000	-	-	-
Letters of guarantee	TRY	16,275,500	16,275,500	TRY	8,236,000	8,236,000
	EUR	197,250	2,896,084	EUR	456,650	4,113,458
	TRY	518,000	518,000	TRY	518,000	518,000
Guarantee notes and cheques	USD	50,000	648,875	USD	50,000	367,025
<b>Total</b>			<b>29,838,459</b>			<b>13,234,483</b>

As of 31 December 2021, bails received from related parties is TRY9,500,000 (31 December 2020: None).

**NOTE 17 - EMPLOYMENT TERMINATION BENEFITS**

**a) Payable due to employee benefits**

	31 December 2021	31 December 2020
Social security premiums payable	2,419,109	1,854,105
Payables to personnel	2,921,683	935,271
<b>Total</b>	<b>5,340,792</b>	<b>2,789,376</b>

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

Provision for seniority incentive bonus	1,102,785	779,871
<b>Total</b>	<b>1,102,785</b>	<b>779,871</b>

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

Provision employment termination benefits	51,017,267	37,069,740
Provision for seniority incentive bonus	1,194,330	1,207,202
Other	1,053,261	1,053,261
<b>Total</b>	<b>53,264,858</b>	<b>39,330,203</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).



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

The amount payable consists of one month's salary limited to a maximum of TRY8,284.51 as of 31 December 2021 (31 December 2020: TRY7,117.17). 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 TRY10,848.59 which is effective from 1 January 2022 (1 January 2021: TRY7,638.96) 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 2021	31 December 2020
Discount rate (%)	4.35	4.70
Probability of retirement (%)	98.84	98.05

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

	2021	2020
<b>1 January</b>	<b>37,069,740</b>	<b>28,892,613</b>
Interest costs	12,295,284	4,736,902
Actuarial losses	7,235,510	4,696,808
Paid during the year	(9,385,745)	(3,889,703)
Current service cost	3,802,478	2,633,120
<b>31 December</b>	<b>51,017,267</b>	<b>37,069,740</b>

The total of interest costs, actuarial losses and current service cost for the year is TRY23,333,271 (31 December 2020: TRY12,066,830) TRY3,802,478 portion (31 December 2020: TRY2, 2,633,120) of this amount was included in general administrative expenses and TRY7,235,510 (31 December 2020: TRY4,696,808) portion was included in other comprehensive income and TRY12,295,284 (31 December 2020: TRY4,736,902) portion was included in financial expenses.

#### NOTE 18 - EXPENSES BY NATURE

	1 January 31 December 2021	1 January 31 December 2020
Direct material costs	770,837,231	568,614,821
Staff cost	102,492,803	79,165,719
Outsourced services	34,521,875	31,081,927
Utilities	31,371,638	21,199,335
Depreciation and amortization	22,229,201	18,654,532
Advertisement	19,722,551	10,052,486
Repair and maintenance	18,589,122	14,090,694
Consultancy charges	13,668,659	10,957,107
Other	18,429,361	12,168,957
<b>Total</b>	<b>1,031,862,441</b>	<b>765,985,578</b>

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

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

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

	1 January - 31 December 2021	1 January - 31 December 2020
Independent audit fee related reporting period	117,250	105,000
<b>Total</b>	<b>117,250</b>	<b>105,000</b>

**NOTE 19 - OTHER ASSETS AND LIABILITIES**

**a) Other current assets:**

	31 December 2021	31 December 2020
Deferred VAT	2,870,748	-
Income accrual	436,921	175,704
<b>Total</b>	<b>3,307,669</b>	<b>175,704</b>

**b) Other current liabilities:**

	31 December 2021	31 December 2020
Expense accrual	4,345	57,679
<b>Total</b>	<b>4,345</b>	<b>57,679</b>

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

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr1. The Company's historical authorized registered capital at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
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

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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 2021 and 2020 were as follows:

Shareholders	31 December 2021		31 December 2020	
	Share Amount (TRY)	Share (%)	Share Amount (TRY)	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 shares (A,B)	14,406,353	33	14,406,353	33
<b>Share capital</b>	<b>43,335,000</b>	<b>100</b>	<b>43,335,000</b>	<b>100</b>
Adjustment to share capital	37,059,553		37,059,553	
<b>Total share capital</b>	<b>80,394,553</b>		<b>80,394,553</b>	

Adjustment to share capital amounting to TRY37,059,553 (31 December 2020: TRY37,059,553) represents the remaining amount after net-off the accumulated losses of 2003 from the difference between restated (inflation adjusted) share capital and historical cost of share capital (before inflation adjustment).

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

As at 31 December 2021, there are 4,333,500,000 (31 December 2020: 4,333,500,000) shares with Kr1 each.

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

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

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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 February 1, 2014, and the Temporary Turkish Commercial Code No. 6102 published in the Official Gazette No. 31130 dated May 17, 2020. They do it in accordance with the Communiqué on the Procedures and Principles Regarding the Application of Article 13.

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

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

In accordance with the decision taken at the Ordinary General Assembly held on 25 March 2021, the Company has decided to distribute the distributable profit of 2020 amounting to TRY71,772,340 (31 December 2020: TRY41,844,723) as dividend and board of directors. In consideration of this profit distribution decision, the Company has allocated 'Restricted Reserves' which is amounting to TRY6,960,559 from the profit of year 2020. Since the general assembly for 2021 has not been made yet, no profit distribution decision has been taken.

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

	<b>1 January - 31 December 2021</b>	<b>1 January 31 December 2020</b>
Domestic sales	1,308,659,588	982,167,017
Export sales	37,310,104	36,366,045
<b>Gross Sales</b>	<b>1,345,969,692</b>	<b>1,018,533,062</b>
Less: Discounts	(206,455,262)	(163,997,058)
Returns	(21,955,661)	(13,218,905)
<b>Net Sales</b>	<b>1,117,558,769</b>	<b>841,317,099</b>
Change in fair value of biological assets	2,574,581	(176,862)
<b>Cost of Sales</b>	<b>(935,012,494)</b>	<b>(696,855,240)</b>
<b>Gross Profit</b>	<b>185,120,856</b>	<b>144,284,997</b>

**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES****a) General administrative expenses:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Staff cost	8,175,364	7,040,418
Consultancy charges	7,674,712	6,570,036
Outsourced services	7,053,300	6,192,460
Employment termination benefits	3,802,478	2,633,120
Depreciation and amortization	2,155,754	1,608,885
Taxes	554,144	452,868
Energy expenses	516,538	376,372
Repair and maintenance	148,506	242,952
Other	1,622,904	1,639,712
<b>Total</b>	<b>31,703,700</b>	<b>26,756,823</b>

**b) Marketing expenses:**

Advertisement	19,722,551	10,052,486
Staff cost	9,821,487	6,958,726
Outsourced services	6,508,672	4,306,369
Consultancy charges	5,934,896	4,335,035
Energy expenses	3,922,001	2,643,916
Depreciation and amortization	2,818,116	2,155,290
Repair and maintenance	2,649,530	1,609,482
Other	9,211,462	6,936,335
<b>Total</b>	<b>60,588,715</b>	<b>38,997,639</b>



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

**c) Research and development expenses:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Staff cost	1,745,909	1,611,658
Depreciation and amortization	1,690,884	809,605
Outsourced services	476,199	374,009
Other	644,539	580,604
<b>Total</b>	<b>4,557,531</b>	<b>3,375,876</b>

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

**a) Other operating income:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Foreign exchange gain	12,136,696	1,166,621
Interest income	1,590,230	1,102,081
Rent income	1,386,701	1,003,093
Income from sales of scrap	850,885	562,928
Other	992,344	1,359,948
<b>Total</b>	<b>16,956,856</b>	<b>5,194,671</b>

**b) Other operating expense:**

Interest expense	(439,410)	(277,341)
Donations	(275,560)	(3,670,611)
Provisions for doubtful receivables	-	(186,034)
Other	(2,387,842)	(2,005,801)
<b>Total</b>	<b>(3,102,812)</b>	<b>(6,139,787)</b>

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

**a) Income from investment activities:**

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Interest income calculated on other receivables from related parties	15,147,116	8,182,480
Investment property value increase	13,890,000	2,115,000
Income from sales of property, plant and equipment	203,051	16,997
Other	10,835	12,803
<b>Total</b>	<b>29,251,002</b>	<b>10,327,280</b>

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

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Loss from sales of property, plant and equipment	(163,247)	-
<b>Total</b>	<b>(163,247)</b>	<b>-</b>

**NOTE 25 - EXPENSES CLASSIFIED**

Please refer to Note 18.

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

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Foreign exchange gain	9,046,693	926,254
Interest income	2,402,351	3,340,921
Bail income from related parties (Note 5.ii.c)	-	669,819
<b>Total</b>	<b>11,449,044</b>	<b>4,936,994</b>

**ii. Financial Expense:**

Interest expense	(15,582,789)	(5,286,718)
Defined benefit plans interest cost	(12,295,284)	(4,736,902)
Foreign exchange loss	(11,298,345)	(587,438)
Bank commission expense	(558,961)	(201,994)
Other	(171,832)	(12,704)
<b>Total</b>	<b>(39,907,211)</b>	<b>(10,825,756)</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)**

As of 31 December 2021, and 2020, corporation taxes currently payable are as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Corporation taxes currently payable	2,179,437	7,890,207
Less: Prepaid corporate tax	(3,601,039)	(3,712,689)
<b>Current income tax (assets)/ liabilities</b>	<b>(1,421,602)</b>	<b>4,177,518</b>

In Turkey, the corporation tax rate for 2021 is 25% (31 December 2020: 22%). According to Article 32 of the Corporate Tax Law No. 5520, the corporate tax rate is 20%. However, within the scope of Articles 11 and 14 of the Law No. 7316 on the Procedure for the Collection of Public Claims and Amending Certain Laws published in the Official Gazette dated April 22, 2021; With the temporary 13th article added to the Corporate Tax Law No. 5520, the 20 percent corporate tax rate will be applied as 25 percent for 2021 and 23 percent for 2022. The law will apply to corporate earnings for the taxation period starting from January 1, 2021.

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

Dividends paid on-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (2020: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 25% (2020: 22%) on their corporate income. Advance tax is declared by 14 th and payable by the 17 th (2020: 17 th ) of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within 25 th of fourth month following the close of the financial year to which they relate.

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

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

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

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

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

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

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

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

*Transfer Pricing*

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

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

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

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

Taxation on income in the statement of comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	<b>1 January - 31 December 2021</b>	<b>1 January - 31 December 2020</b>
Current corporation tax expense	(2,179,437)	(7,890,207)
Deferred tax income/ (expense)	1,423,808	1,521,507
<b>Total taxation on income</b>	<b>(755,629)</b>	<b>(6,368,700)</b>

The reconciliation of tax expense is as follows:

<b>Profit before tax</b>	<b>147,665,471</b>	<b>101,688,030</b>
Tax calculated at tax rates applicable to the profit	(36,916,368)	(22,371,367)
Expenses not deductible for tax purpose	(455,741)	(1,067,073)
Income not subject to tax	141,503	740,949
Tax effect of share in profits/ (losses) of affiliates	11,227,732	5,068,793
Tax effect upon the results of investments-in-associates	20,003,342	10,119,342
Additional deferred tax asset calculated on investment incentive	(197,150)	(224,149)
Other	5,441,053	1,364,805
<b>Total taxation on income</b>	<b>(755,629)</b>	<b>(6,368,700)</b>

**Deferred income taxes**

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

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



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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 2021 and 2020 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 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Revaluation of property, plant and equipment	584,166,426	235,242,805	(83,558,203)	(30,769,330)
Differences between carrying cost before revaluation and tax base	(9,529,070)	27,584,413	2,196,979	(5,225,718)
Provision for employment termination benefits	(51,017,267)	(37,069,740)	10,203,453	7,413,948
Deferred tax calculated from financial assets held for sale	2,025,743	344,209	42,675	126,752
Investment incentives (*)	(2,674,615)	(3,692,324)	615,161	812,311
Investment property revaluation	21,345,441	7,455,441	(2,134,544)	(745,544)
Other	(15,187,709)	(11,716,879)	3,419,893	2,538,420
Deferred income tax assets			16,478,161	10,891,431
Deferred income tax liabilities			(85,692,747)	(36,740,592)
<b>Deferred income tax assets (liabilities) - net</b>			<b>(69,214,586)</b>	<b>(25,849,161)</b>

(\*) The company has investment incentive certificates related to production line investment. The Company management expects to benefit from the investment allowance amounting to TRY615,161 as of 31 December 2021 (31 December 2020: TRY812,311) in accordance with the related investment incentive certificates.

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

<b>1 January 2020</b>	<b>(28,258,716)</b>
Credited to statement of comprehensive income	1,521,505
Charged to actuarial loss arising from defined benefit plans	939,362
Fair value difference credited to other comprehensive income	(51,312)
<b>31 December 2020</b>	<b>(25,849,161)</b>
<b>1 January 2021</b>	<b>(25,849,161)</b>
Credited to statement of comprehensive income	1,423,808
Charged to actuarial loss arising from defined benefit plans	1,447,100
Calculated on revaluation fund	(46,152,259)
Fair value difference credited to other comprehensive income	(84,074)
<b>31 December 2021</b>	<b>(69,214,586)</b>

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**NOTE 29 - EARNINGS PER SHARE**

		1 January - 31 December 2021	1 January - 31 December 2020
Profit for the period	A	146,909,842	95,319,330
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>3,3901</b>	<b>2,1996</b>

There are no differences between basic and diluted earnings per share. Since the General Assembly meeting of the year 2021 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**

	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>TRY</b>	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>
YDT	4,072,910	0.93	2,391,376	0.93
Bintur	192,578	1.33	153,212	1.33
<b>Total</b>	<b>4,265,488</b>		<b>2,544,588</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 2021, 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 2021, and 2020, the discount and growth rates used in discounted cash flow models are as follows:

	<b>Discount Rate</b>		<b>Growth Rate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Bintur	25.84%	19.61%	1%	1%
YDT	24.87%	18.76%	1%	1%

Movements of available for sale investments are as follows:

	<b>2021</b>	<b>2020</b>
<b>1 January</b>	<b>2,544,588</b>	<b>1,518,196</b>
Fair value change - YDT	1,681,534	1,026,244
Fair value change - Bintur	39,366	148
<b>31 December</b>	<b>4,265,488</b>	<b>2,544,588</b>

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

	<b>2021</b>	<b>2020</b>
<b>1 January</b>	<b>1,707,271</b>	<b>732,191</b>
Change in fair value	1,720,900	1,026,392
Deferred income tax effect on fair value reserve of available for sale investments (Note 28)	(84,077)	(51,312)
<b>31 December</b>	<b>3,344,094</b>	<b>1,707,271</b>

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**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).

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 2021 and 2020 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 2021

	Receivables				
	Trade Receivables (1)		Other Receivables		Bank Deposits
	Related Parties	Third Parties	Related Parties	Third Parties	
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)</b>	<b>164,076,289</b>	<b>42,592,481</b>	<b>116,277,220</b>	<b>68,733</b>	<b>36,725,820</b>
- The part of maximum credit risk covered with guarantees	-	-	-	-	-
<b>A.</b> Net book value of financial assets not due or not impaired	142,241,471	39,412,308	116,277,220	68,733	36,725,820
<b>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)	21,834,818	3,180,173	-	-	-
- The part covered by guarantees	-	-	-	-	-
<b>D.</b> Net book value of assets impaired	-	-	-	-	-
- Past due amount (gross book value)	-	1,391,914	-	-	-
- Impairment amount (-)	-	(1,391,914)	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
- Due amount (gross book value)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-
<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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**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

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

**31 December 2020**

31 December 2020		Receivables				Bank Deposits
		Trade Receivables (1)		Other Receivables		
		Related Parties	Third Parties	Related Parties	Third Parties	
Parties	Parties	Parties	Parties	Parties	Parties	Deposits
<b>Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)</b>						
	<b>138,247,816</b>	<b>21,487,947</b>	<b>91,161,651</b>	<b>112,456</b>	<b>18,913,987</b>	
- The part of maximum credit risk covered with guarantees	-	3,790,000	-	-	-	-
<b>A.</b> Net book value of financial assets not due or not impaired	130,420,313	18,223,956	91,161,651	112,456	18,913,987	
<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)	7,827,503	3,263,991	-	-	-	-
- The part covered by guarantees	-	70,525	-	-	-	-
<b>D.</b> Net book value of assets impaired						
- Past due amount (Gross book value)	-	1,392,161	-	-	-	-
- Impairment amount (-)	-	(1,392,161)	-	-	-	-
- Collateral held as security and guarantees received	-	-	-	-	-	-
- 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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**NOTE 33 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)****a) Credit risk (Continued):**

<b>31 December 2021</b>	<b>Receivables</b>		
	<b>Related Parties</b>	<b>Third Parties</b>	<b>Total</b>
1 - 30 days overdue	10,132,497	2,887,088	13,019,585
1 - 3 months overdue	750,742	131,967	882,709
3 - 6 months overdue	10,951,579	161,118	11,112,697
The part of credit risk covered with guarantees	-	-	-
<b>Total</b>	<b>21,834,818</b>	<b>3,180,173</b>	<b>25,014,991</b>

<b>31 December 2020</b>	<b>Receivables</b>		
	<b>Related Parties</b>	<b>Third Parties</b>	<b>Total</b>
1 - 30 days overdue	2,154,069	2,974,730	5,128,799
1 - 3 months overdue	2,193,159	219,002	2,412,161
3 - 6 months overdue	3,480,275	70,259	3,550,534
The part of credit risk covered with guarantees	-	(70,525)	(70,525)
<b>Total</b>	<b>7,827,503</b>	<b>3,263,991</b>	<b>11,091,494</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 2021 and 2020 is as follows:

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

	31 December 2020				
	Carrying value	Total cash outflow per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
<b>Contractual maturity dates:</b>					
<b>Financial liabilities</b>					
Bank borrowings	77,975,231	94,286,106	2,042,606	10,654,913	81,588,587
Trade payables	142,942,317	142,942,317	135,656,290	7,286,027	-
Other payables and other financial liabilities	30,556,671	30,556,671	22,165,049	5,621,176	2,770,446
<b>Total</b>	<b>251,474,219</b>	<b>267,785,094</b>	<b>159,863,945</b>	<b>23,562,116</b>	<b>84,359,033</b>

**c) Market risk:**

*i) Foreign exchange risk*

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

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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 2021				31 December 2020			
	TRY Equivalent	USD	EUR	Other (TRY Equivalent)	TRY Equivalent	USD	EUR	Other (TRY Equivalent)
1. Trade Receivables	30,750,989	2,307,074	-	-	10,253,878	1,396,891	-	-
2a. Monetary Financial Assets (Cash Bank Accounts included)	10,886,118	93,209	639,221	-	333,815	42,527	2,403	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	175,050	13,133	-	-	67,100	9,141	-	-
<b>4. Current Assets (1+2+3)</b>	<b>41,812,157</b>	<b>2,413,416</b>	<b>639,221</b>	<b>-</b>	<b>10,654,793</b>	<b>1,448,559</b>	<b>2,403</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>41,812,157</b>	<b>2,413,416</b>	<b>639,221</b>	<b>-</b>	<b>10,654,793</b>	<b>1,448,559</b>	<b>2,403</b>	<b>-</b>
10. Trade Payables	5,076,960	4,761	331,707	-	1,771,647	12,220	186,719	-
11. Financial Liabilities	12,399,444	-	820,400	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>17,476,404</b>	<b>4,761</b>	<b>1,152,107</b>	<b>-</b>	<b>1,771,647</b>	<b>12,220</b>	<b>186,719</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	18,599,165	-	1,230,600	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>17. Long-Term Liabilities (15+16)</b>	<b>18,599,165</b>	<b>-</b>	<b>1,230,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>36,075,569</b>	<b>4,761</b>	<b>2,382,707</b>	<b>-</b>	<b>1,771,647</b>	<b>12,220</b>	<b>186,719</b>	<b>-</b>
<b>19. Net Asset/ Liability Position of Off-Balance Sheet Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Amount of Hedged Asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Hedged Liability</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>5,736,588</b>	<b>2,408,655</b>	<b>(1,743,486)</b>	<b>-</b>	<b>8,883,146</b>	<b>1,436,339</b>	<b>(184,316)</b>	<b>-</b>
<b>21. Net Foreign Currency Asset (Liability) Position of Monetary Items (IFRS 7.B23)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>5,561,538</b>	<b>2,395,521</b>	<b>(1,743,486)</b>	<b>-</b>	<b>8,816,046</b>	<b>1,427,198</b>	<b>(184,316)</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. Amount of Foreign Currency Denominated Assets Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Foreign Currency Denominated Liabilities Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>37,310,104</b>	<b>3,354,115</b>	<b>29,769</b>	<b>8,063,930</b>	<b>36,366,045</b>	<b>4,638,020</b>	<b>-</b>	<b>5,781,819</b>
<b>26. Import</b>	<b>13,316,715</b>	<b>96,651</b>	<b>1,224,769</b>	<b>-</b>	<b>13,572,510</b>	<b>6,457</b>	<b>1,729,196</b>	<b>-</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 2021**

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

# PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021

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

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

##### c) Market risk (Continued):

##### i) Foreign exchange risk (Continued):

##### 31 December 2020

	Sensitivity Analysis for Foreign Currency Risk			
	Profit/(Loss)		Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	1,054,345	(1,054,345)	1,054,345	(1,054,345)
2- The part hedged for USD risk (-)	-	-	-	-
<b>3- USD Effect Net (1+2)</b>	<b>1,054,345</b>	<b>(1,054,345)</b>	<b>1,054,345</b>	<b>(1,054,345)</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	(166,030)	166,030	(166,030)	166,030
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR Effect Net (4+5)</b>	<b>(166,030)</b>	<b>166,030</b>	<b>(166,030)</b>	<b>166,030</b>
<b>Change of other currencies by average 10% against TRY</b>				
7- Assets/Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other Foreign Currency Effect - net (7+8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>888,315</b>	<b>(888,315)</b>	<b>888,315</b>	<b>(888,315)</b>



**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**  
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

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

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

ii) *Interest rate risk*

The Company does not have financial instrument with variable interest rate as of 31 December 2021 and 2020.

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.

	<b>31 December 2021</b>	<b>31 December 2020</b>
Financial liabilities (Note 15)	167,246,736	86,366,853
Less: Cash and cash equivalents (Note 4)	(43,172,004)	(22,875,684)
<b>Net debt/ (assets) (Note 15)</b>	<b>124,074,732</b>	<b>63,491,169</b>
<b>Total equity</b>	<b>1,302,741,547</b>	<b>781,332,271</b>
<b>Net debt (assets) /equity ratio</b>	<b>9.52%</b>	<b>8.13%</b>

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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

**NOTE 34 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)****Classification of financial assets**

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

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

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

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

Financial assets

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

Financial liabilities

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

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

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**  
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

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

**Classification of financial assets (Continued)**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2021 and 2020:

**31 December 2021**

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

**31 December 2020**

	Level 1	Level 2	Level 3 (*)	Total
<b>Assets:</b>				
Available-for-sale investments	-	2,544,588	-	2,544,588
<b>Total assets</b>	<b>-</b>	<b>2,544,588</b>	<b>-</b>	<b>2,544,588</b>

The following table presents the Company's non-financial assets that are measured fair value at 31 December 2021 and 2020:

**31 December 2021**

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

**PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2021**

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

**NOTE 34 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)****Classification of financial assets (Continued)****31 December 2020**

	Level 1	Level 2	Level 3	Total
<b>Property, plant and equipment:</b>				
Land	-	165,122,476	-	165,122,476
Buildings and land improvements	-	77,613,581	-	77,613,581
Machinery and equipment	-	108,007,975	-	108,007,975
<b>Investment properties:</b>				
Investment properties	-	23,230,000	-	23,230,000
<b>Biological assets:</b>				
Biological assets	-	17,263,737	-	17,263,737
<b>Total assets</b>	-	<b>391,237,769</b>	-	<b>391,237,769</b>

**NOTE 35 - SUBSEQUENT EVENTS***Application of inflation accounting*

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. On January 20, 2022, POA made a statement titled "Implementation of Financial Reporting in Hyperinflationary Economies" within the scope of TFRS, and it was stated that there was no need to make any adjustments in the financial statements for 2021 within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies".

*Negotiations with Tek Gıda İş Union*

The collective bargaining agreement between the Company and Tek Gıda İş Union has expired as of 31 December 2021 and negotiations for the new period are continuing.

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# INFORMATION FOR INVESTORS

## Stock Market

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

## Ordinary General Assembly Meeting

In line with the decision taken by the Board of Directors of Pınar Entegre Et ve Un Sanayii A.Ş., the Ordinary General Assembly meeting of the Company will be held on 29 March 2022, Tuesday, at 14:30 at the Altın Yunus Çeşme Turistik Tesisler in Altın Yunus Mah. 3215 Sok. No:38 Çeşme/İzmir.

## Dividend Distribution Policy

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

Pınar Entegre Et ve Un Sanayii A.Ş.  
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To access the Pınar Et Investor Relations Website:



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

