

**BANVIT BANDIRMA VİTAMİNLİ
YEM SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2023**

(ORIGINALLY ISSUED IN TURKISH)

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(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated.)

		Not Reviewed	Audited
	Notes	30 September 2023	31 December 2022
ASSETS			
Current Assets			
Cash and cash equivalents	3	801,513,643	536,862,408
Derivatives		27,505,299	--
Trade receivables	6	1,356,660,289	784,708,299
-Related parties	5	53,303,191	20,458,028
-Other parties		1,303,357,098	764,250,271
Other receivables		255,619,640	11,685,658
-Other parties		255,619,640	11,685,658
Inventories	7	1,112,420,977	1,047,391,319
Biological assets	8	1,009,935,760	766,521,043
Prepaid expense	10	167,755,410	195,959,269
Current tax assets	17	670,015	82,267,920
Other current assets	11	836,952,812	661,483,167
Subtotal		5,569,033,845	4,086,879,083
Assets held for sale	14	1,498,201	16,618,337
Total Current Assets		5,570,532,046	4,103,497,420
Non-Current Assets			
Other receivables		369,588	125,832
-Other parties		369,588	125,832
Property, plant and equipment	12	2,718,405,682	2,581,771,014
Right of use of assets		20,396,961	28,991,101
Intangible assets	13	49,526,733	52,325,074
-Other intangible assets		49,526,733	52,325,074
Prepaid expenses	10	12,456,964	97,780,980
Other non-current Assets		--	156,106,020
Total Non-current Assets		2,801,155,928	2,917,100,021
Total Assets		8,371,687,974	7,020,597,441

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated.)

	Notes	Not Reviewed 30 September 2023	Audited 31 December 2022
LIABILITIES			
Short-term Liabilities			
Short-term borrowings	4	1,488,727,101	1,378,400,089
Short-term financial lease liabilities	4	10,113,171	13,602,627
-Lease liabilities due from other parties		10,113,171	13,602,627
Short-term portions of long-term borrowings	4	38,656,776	348,776,956
Other financial liabilities	4	--	49,910,622
Trade payables		3,113,240,031	2,340,129,789
-Related parties	5	3,289,755	832,596
-Other parties	6	3,109,950,276	2,339,297,193
Liabilities related to the employee benefits		60,273,784	35,175,754
Derivatives		--	15,034,880
Other payables		222,062,817	13,152,939
-Related parties	5	219,409,961	11,275,327
-Other parties		2,652,856	1,877,612
Deferred revenue		19,229,967	20,454,849
Current tax liabilities	17	155,885,185	--
Short-term provisions		118,095,616	61,039,718
-Provisions related to the employee benefits		98,961,189	45,697,104
-Other		19,134,427	15,342,614
Other short term liabilities		409,052	1,109,328
Total Short-term Liabilities		5,226,693,500	4,276,787,551
Long-term Liabilities			
Long-term borrowings	4	83,451,756	128,003,171
Long-term financial lease liabilities	4	7,677,308	12,814,979
-Lease liabilities due from other parties		7,677,308	12,814,979
Other liabilities		--	100,000
-Other parties		--	100,000
Long-term provisions		163,456,906	283,197,868
-Provisions related to the employee benefits		163,456,906	283,197,868
Deferred tax liability	17	237,808,887	176,370,503
Total Long-term Liabilities		492,394,857	600,486,521
Total Liabilities		5,719,088,357	4,877,274,072
EQUITY			
Paid-in share capital	15	100,023,579	100,023,579
Inflation adjustment of capital	15	6,348,821	6,348,821
Accumulated other comprehensive expense that will not be reclassified through profit or loss		1,406,663,090	1,483,853,586
-Remeasurement of the defined benefit liability		(191,795,233)	(191,795,233)
-Fixed assets revaluation	15	1,598,458,323	1,675,648,819
Accumulated other comprehensive expense that may be reclassified through profit or loss		940,913,521	668,793,030
-Change in foreign exchange differences		940,913,521	678,430,263
-Hedging gains/losses		--	(9,637,233)
Restricted reserves	15	15,190,838	15,190,838
Other reserves	15	5,611,290	5,611,290
Retained earnings	15	(59,307,279)	306,157,937
Profit/(Loss) for the period		237,155,757	(442,655,712)
Total Equity		2,652,599,617	2,143,323,369
Total Equity and Liabilities		8,371,687,974	7,020,597,441

The accompanying notes are an integral part of these interim condensed consolidated financial statements,

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

	Footnote reference	Reviewed Current Period 1 January - 30 September 2023	Not Reviewed Current Period 1 July - 30 September 2023	Reviewed Previous Period 1 January - 30 September 2022	Not Reviewed Previous Period 1 July - 30 September 2022
PROFIT OR LOSS					
Revenue	16	11,852,993,603	4,576,388,034	7,554,044,269	2,871,357,813
Cost of Sales (-)	16	(9,716,507,193)	(3,575,616,285)	(6,789,007,994)	(2,798,936,495)
Gross Profit from Business Operations					
		2,136,486,409	1,000,771,748	765,036,275	72,421,318
General administrative expenses (-)		(225,627,012)	(85,088,405)	(92,707,419)	(44,646,594)
Selling, marketing and distribution expenses (-)		(639,070,639)	(256,117,166)	(465,934,889)	(194,666,242)
Research and development expenses (-)		(265,001)	(122,671)	--	--
Other income from operating activities	19	722,835,480	488,675,616	412,824,652	164,581,453
Other expenses from operating activities (-)	19	(1,040,066,423)	(356,210,594)	(454,925,314)	(174,539,813)
Profit From Operating Activities					
		954,292,814	791,908,528	164,293,305	(176,849,878)
Income from investing activities		98,139,363	86,137,874	2,121,714	(45,387)
Loss from investing activities (-)		--	10,917	--	--
Profit From Operating Activities Before Financial Expense					
		1,052,432,177	878,057,319	166,415,019	(176,895,265)
Finance income		153,674,805	(119,710,886)	49,645,101	12,671,500
Finance expenses (-)		(730,016,827)	(254,787,182)	(313,829,543)	(117,652,837)
Finance Expenses, Net (-)					
		(576,342,022)	(374,498,068)	(264,184,442)	(104,981,337)
Profit Before Tax					
		476,090,155	503,559,251	(97,769,423)	(281,876,602)
Tax Expense					
-Current tax expense	17	(149,593,822)	(149,593,822)	(81,231,084)	13,270,986
-Deferred tax income/(expense)	17	(58,170,185)	27,126,338	4,867,012	(11,314,284)
Profit/(Loss) for the Period from Continuing Operations					
		268,326,148	381,091,767	(174,022,353)	(279,919,900)
Profit/(Loss) for the Period from Discontinued Operations					
		(31,170,391)	(24,471,385)	(7,647,784)	(9,981,404)
Distribution of Net Profit					
-Parent company		237,155,757	356,620,382	(181,670,137)	(289,901,304)
Profit per share					
Profit per share from continuing operations		2,682	3,8100	(1,74)	(2,80)
Diluted profit per share from continuing operations		2,682	3,8100	(1,74)	(2,80)
OTHER COMPREHENSIVE INCOME					
That will not be reclassified through profit or loss					
-Re-measurement of the defined benefit liability		--	--	(2,026,042)	(1,040,447)
-Deferred tax income		--	--	(2,631,224)	(1,351,230)
		--	--	605,182	310,783
That may be reclassified through profit or loss					
-Translation reserve		378,598,506	46,389,561	142,899,664	22,904,867
- Gains/losses on hedging		368,961,273	46,389,561	142,899,664	22,904,867
- Deferred tax income/(expense)		12,849,644	--	--	--
		(3,212,411)	--	--	--
Total Other Comprehensive Income					
		378,598,506	46,389,561	140,873,622	21,864,420
Total Comprehensive Income for the Period					
		615,754,263	403,009,944	(40,796,515)	(268,036,884)

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated.)

	Paid-in capital	Capital adjustment differences	Other accumulated comprehensive income and expenses not to be reclassified in profit or loss		Other accumulated comprehensive income and expenses to be reclassified in profit or loss			Other reserves	Restricted profit reserves	Retained Earnings		Total equity
			Re-measurement of the defined benefit liability	Revaluation funds	Change in foreign exchange differences	Hedging gains/losses	Retained earnings			Net profit/(loss) for the period		
Balance as at 1 January 2023	100,023,579	6,348,821	(191,795,233)	1,675,648,819	678,430,263	(9,637,233)	5,611,290	15,190,838	306,157,937	(442,655,712)	2,143,323,369	
Transfers	--	--	--	(77,190,496)	--	--	--	--	(365,465,216)	442,655,712	--	
Liquidation effect	--	--	--	--	(106,478,015)	--	--	--	--	--	(106,478,015)	
Total comprehensive income	--	--	--	--	368,961,273	9,637,233	--	--	--	237,155,757	615,754,263	
Balance as at 30 September 2023	100,023,579	6,348,821	(191,795,233)	1,598,458,323	940,913,521	--	5,611,290	15,190,838	(59,307,279)	237,155,757	2,652,599,617	
Balance as at 1 January 2022	100,023,579	6,348,821	(38,750,632)	414,037,623	457,900,786	--	5,611,290	15,190,838	188,583,939	95,150,799	1,244,097,043	
Transfers	--	--	--	(10,036,742)	--	--	--	--	105,187,541	(95,150,799)	--	
Total comprehensive income	--	--	(2,026,042)	--	142,899,664	--	--	--	--	(181,670,137)	(40,796,515)	
Balance as at 30 September 2022	100,023,579	6,348,821	(40,776,674)	404,000,881	600,800,450	--	5,611,290	15,190,838	293,771,480	(181,670,137)	1,203,300,528	

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

	<i>Note</i>	Reviewed 1 January- 30 September 2023	Reviewed 1 January- 30 September 2022
CASH FLOWS ARISING FROM OPERATING ACTIVITIES			
Profit for the Period		237,155,757	(181,670,137)
Profit/(Loss) for the Period from Continuing Operations		268,326,148	(174,022,353)
Profit/(Loss) for the Period from Discontinued Operations		(31,170,391)	(7,647,784)
Adjustments Regarding Net Profit Reconciliation for the Period:		819,426,002	354,628,162
Adjustment of Depreciation And Amortization		427,769,667	161,764,933
Adjustment of Decrease in Value of Trade Receivables	6	961,082	(904,194)
Adjustments for Fair Value (Gains)/Losses of Derivative Financial Instruments		(29,305,842)	-
Adjustment of Decrease in Value in Inventories	7	8,890,520	31,119,673
Adjustment of Provisions for Employee Benefits		104,695,052	28,848,880
Adjustments for Provisions		3,791,813	5,165,182
Foreign currency Translation Difference		--	(100,080,045)
Adjustments for Tax (Income) / Expense	17	207,764,007	76,364,072
Adjustments for losses and gains from the disposal of assets held for sale		(80,759,167)	45,389
Interest paid		295,275,345	166,687,424
Interest income		(119,656,475)	(14,383,152)
Changes in Working Capital		326,926,180	176,094,513
Change in Trade Receivables		(572,913,072)	(296,883,273)
Change in Inventories		241,630,951	(18,656,693)
Change in Trade Payables		773,110,242	1,027,897,481
Change in Employee Benefits		25,098,030	5,338,274
Change in Government Grants		(1,760,730)	(10,281,150)
Change in Other Assets Regarding Operating Activities		(221,905,388)	(555,174,140)
Change in Other Liabilities Regarding Operating Activities		83,666,147	23,854,014
Net Cash Provided from Operating Activities		1,383,507,939	349,052,538
Taxes paid		81,597,905	(120,691,647)
Payments made within the scope of provisions for employment benefits		(171,171,929)	(9,727,280)
Net Cash Provided From Operating Activities		1,293,933,915	218,633,611
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition Of Property, Plant, Equipment, and Intangible Assets		--	80,548
Sales of Property, Plant and Equipment and Intangible Assets		(272,421,677)	(147,003,684)
Proceeds From Assets Held for Sale		95,879,303	--
Proceeds From Sale of Biological Assets		6,783,690,846	5,212,298,071
Acquisition And Physical Change on Biological Assets		(7,623,246,869)	(5,887,191,963)
Cash advances given and payables		85,324,016	(176,201,175)
Net Cash Flows provided from/ (Used in) Investing Activities		(930,774,381)	(998,018,203)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	4	3,824,123,527	1,288,193,735
Repayment of borrowings	4	(4,060,770,800)	(788,475,762)
Repayment of lease liabilities		(12,518,869)	(13,878,658)
Proceeds from other financial borrowings		(49,910,622)	11,362,486
Interest received		119,656,475	14,383,152
Interest paid		(169,955,670)	(148,114,843)
Cash Flows Provided From Financing Activities		(349,375,959)	363,470,110
NET DECREASE /INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF TRANSLATION DIFFERENCE		13,783,575	(415,914,482)
EFFECT OF TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENTS		262,483,258	142,899,664
NET (DECREASE)/ INCREASE OF CASH AND CASH EQUIVALENTS		276,266,833	(273,014,818)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		494,358,055	752,939,362
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		770,624,888	479,924,544

The accompanying notes are an integral part of these interim condensed consolidated financial statements,

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)

1 ORGANISATION AND OPERATION OF THE GROUP

Banvit Bandırma Vitaminli Yem Sanayii Anonim Şirketi (“Group” or “Banvit”), was registered in Bandırma, in Turkey, in 8,29% of Banvit shares is listed on Istanbul Stock Exchange (“ISE”) (31 December 2022: %8,29),

The main operations of Banvit are marketing, slaughtering and production of animal feed, breeding eggs, one-day-old chicks, live chickens and processed chickens, Financial statements in this consolidated Statement include the Company and its subsidiaries, In the following sections, the Parent Company and its subsidiaries will be referred to as “Group”,

The subsidiaries included in consolidation as of 30 September 2023 and 31 December 2022, their cities of incorporation, nature of businesses and participation rates of the Company are as follows:

	Country of Subsidiary	Field of Subsidiary	Participation Rate	
			30 September 2023	31 December 2022
Nutrinvestments B,V.(**)	Holland	Holding Company	100,00%	100,00%
Banvit Enerji ve Elektrik Üretim Anonim Şirketi (“Banvit Enerji”)	Turkey	Energy production	100,00%	100,00%
Banvit ME FZE (*)	United Arab Emirates	Marketing and sales	--	100,00%

(*) Banvit ME FZE, which is 100% owned by Nutrinvestments B,V., has been liquidated as of 21 March 2023 (Note 12),

(**) The liquidation process of Nutrinvestments B,V., which is 100% owned by Banvit, has been initiated as of 31 March 2023,

Banvit’s subsidiary, Nutrinvestments B,V, was established on 18 August 1999 as a holding company in Amsterdam, Holland,

Banvit ME FZE, a subsidiary of Nutrinvestments B,V,, was established on 16 July 2012 in the Jebel Ali Free Zone in the United Arab Emirates as a free zone company to operate in marketing and sales of the Group’s products to Gulf countries,

Banvit Energy, a subsidiary of Banvit, obtained the necessary license from the Energy Market Regulatory Authority, for the purpose of establishing, commissioning, leasing a production facility for the conversion of energy resources into electrical energy at production facilities, generating electrical energy, and selling the generated electrical energy and/or capacity to customers, It was established in May 2009 and registered in the trade registry on 5 June 2009, On October 25, 2010, Banvit Energy's license application to the Energy Market Regulatory Authority was finalized and it will be valid until February 22, 2059, with a total facility completion period of 34 months, 16 months for the pre-construction period and 18 months for the construction period, production license has been granted,

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)

1 ORGANISATION AND OPERATION OF THE GROUP (Continued)

As of 30 September 2023, and 31 December 2022, the number of personnel by category is as follows:

	30 September 2023	31 December 2022
Blue collar	4,014	4,334
White collar	633	703
Total number of employees	4,647	5,037

The address of the registered office and headquarters of the Company is as follows:

Ömerli Mahallesi, Ömerli Sokak, No: 208
10202 Bandırma - Balıkesir / Turkey
Website: <http://www.banvit.com/>

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,1 Measurement basis

With the exception of building, lands, improvements and assets held for sale and property plant equipment which are measured at fair value, the consolidated financial statements are based on historical costs, The financial statements have been prepared on the basis of historical cost adjusted for inflationary effects ending on 31 December 2004,

Functional and reporting currency

The Parent Company uses Turkish Lira (“TL”) as functional currency and reporting currency, The functional currencies used by the subsidiaries are as follows;

	Functional Currency
Nutrinvestments B,V,	Eurozone Currency (“EUR”)
Banvit ME FZE	Arab Emirates Dirham (“AED”)

The financial statements of entities whose functional currency is not TL are prepared in their own function currency and these financial statements are translated to TL for consolidation purposes in accordance with the TAS 21 (The Effects of Changes in Foreign Exchange Rates), The Group has determined its reporting currency as the Turkish Lira for presentation purposes of consolidated financial statements and explanatory notes, All currencies other than the currency selected for measurement of the consolidated financial statement items are foreign currencies,

Foreign currency transactions of related subsidiaries are translated to the functional currency at the actual rates applicable of the transaction date, Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates valid at the reporting dates, Translation gains and losses related to monetary items represent the difference between the amounts calculated in the functional currency valid at the beginning and the end of the period,,

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,1 Basis of preparation (Continued)

Adjustment of financial statements in hyperinflationary periods

As per the 17 March 2005 dated, 11/367 numbered decree of CMB, companies engaged in Turkey and those of which prepare their financial statements in accordance with the CMB Accounting Standards (including IAS/IFRS exercisers), use of inflationary accounting standards have been discontinued effective from 1 January 2005, Accordingly, "Financial Reporting Standards in Hyperinflationary Economies", ("IAS 29") was no longer applied henceforward,

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities, In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021, As of the preparation date of this year end consolidated financial statements, POA did not make an additional announcement and no adjustment was made to these consolidated financial statements in accordance with TAS 29,

Foreign currency transactions

Transactions in foreign currencies are translated to TL at exchange rates at the dates of the transactions,

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date, Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined, Foreign currency differences are generally recognized in profit or loss, Non-monetary items measured in foreign currency's historical cost are translated using the exchange rate at the date of the transaction,

The closing exchange rates for the reporting periods are as follows:

	30 September 2023		31 December 2022	
	Period End	Average	Period End	Average
Euro ("EUR") / TL	29,0305	23,9718	19,9349	17,3775
United States Dollars ("USD") / TL	27,3767	22,1134	18,6983	16,5659
Great Britain Pounds ("GBP") / TL	33,4816	27,5316	22,4892	20,3295
United Arab Emirates Dirham ("AED") / TL	7,4116	5,9870	5,0627	4,5113

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,1 Basis of preparation (Continued)

Consolidation principles

All items of the statement of financial position except for the paid-in capital of the Parent Company and its subsidiary and their equities at the acquisition date are added, and intercompany balances are eliminated, The Parent Company’s interest in the subsidiary is set off against the Financial Assets account of the Parent Company and the Share Capital account of the subsidiary, As of the acquisition date that the entity included in the consolidation becomes a subsidiary and in the subsequent share acquisitions, the acquisition cost of the Parent Company’s shares in its subsidiary is set off against the value representing these shares in the equity account of the Subsidiary’s statement of financial position drawn up according to fair value,

Shares other than Parent Company shares and Subsidiary shares are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as “Non-controlling interests” in the equity account group of the consolidated statement of financial position,

The Company and its shares in the subsidiary are mutually eliminated from the financial investments in the Company and the Capital account in the subsidiaries, As of the date on the partnerships within the scope of consolidation become subsidiaries and for one-time only in subsequent share acquisitions, the cost of acquiring the shares of the Company in the capital of the subsidiaries is offset against the value represented in the equity of the financial of the subsidiaries, which is valued at fair value,

As of 30 September 2023 and 31 December 2022, Banvit's direct and indirect voting rights and effective shareholding ratios are 100% in all subsidiaries included in the consolidation scope,

Comparatives and restatement of prior periods’ financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance, Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained,

The group presented its deferred tax assets and liabilities net as of 30 September 2023,

In the interim income statement ended on 30 September 2023, the Group has excluded the income/expense obtained from discontinued operations and presented them separately in Note 12,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions

The preparation of the consolidated financial statements require Group Management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, Actual results could differ from those estimates, Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in statements of income in the periods they become known,

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) *Provision for employment termination benefits*

Termination indemnity liability is determined by using actuarial assumptions as discount rates, future salary increases and employee turnover rates by the Group, As these plans are long term plans, the said assumptions include significant ambiguities, Actuarial gains or losses are stated in consolidated other comprehensive income,

b) *Trade receivable*

Provision for doubtful receivables is an estimated amount that Group Management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions,

c) *Useful life*

The useful economic lifetime of Group's assets are determined by Group Management at acquisition date of asset and they are revised regularly, Group determines the useful lifetime of an asset by considering the assets' approximate benefit, This assessment based on the experience of used similar assets, The Group considers the situation that will become unusable in terms of technical or commercial values, as a result of changes or progression in the market when determine the useful lifetime of an asset,

d) *Revaluation of land, buildings and land improvements, machinery and equipments*

The frequency of revaluation studies is determined to ensure that the carried values of the tangible fixed assets and investment properties are not significantly different from their fair values as of the end of the relevant reporting period, The frequency of the revaluation studies depends on the change in the fair value of the tangible assets, In cases where the fair value of a revalued asset is considered to be significantly different from its carrying value, the revaluation study needs to be repeated, and this study is carried out for the entire class of assets with the revaluated asset as of the same date,

On the other hand, it is not necessary to repeat the revaluation studies every year for the tangible fixed assets whose fair value changes are insignificant,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,3 Significant accounting estimates and assumptions (Continued)

In this context, as a result of the evaluations made by the Group management, the land and lands, buildings and surface improvements and machinery, facilities and devices are reflected in the financial statements at their fair values determined in the valuation studies carried out by an independent professional valuation company authorized by the CMB as of 31 December 2022,

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

- In fair value calculations, the most effective and efficient use evaluation was made and the current usage purposes were determined as the most effective and efficient use, and the peer comparison method was used for lands and plots, and the cost approach method was used for underground and surface landscapes and buildings,
- In the peer comparison method, the existing market information was used, the prices were adjusted within the framework of the criteria that may affect the market value, considering the similar real estates that were recently put on the market, and the average m2 sales value for the plots subject to the report was determined, The peers found were compared according to criteria such as location, size, zoning status, physical characteristics, and real estate marketing firms were interviewed for an up-to-date evaluation of the real estate market, and the existing knowledge of an independent professional valuation company was used,
- In the cost approach method, the value of the real estate is determined by adding the investment costs on the land to the land value after amortization (subtracting the depreciation after adding any interest or gain), In the calculation of the land value among the components discussed in the cost approach method, the equivalent comparison method explained above was used,
- Cost approach method was used in valuation of property, plant and equipment, Due to the fact that valuation is an integrated industrial plant valuation as a whole, in the light of market data to the extent that it is applicable in valuation of property, plant and equipment; It was built on active and operational values within the integrated plant and the property, plant and equipment in question were examined on a line basis,

The values that may occur during the realization of purchase/sale transactions may differ from these values,

e) Deferred tax asset

Deferred tax liability for all taxable temporary differences is accounted for when the deductible temporary differences, deferred tax assets through future taxable profits is probable to take advantage of this difference provided are recognized,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,3 Significant accounting estimates and assumptions (Continued)

f) Impairment of inventory

In calculating impairment, the physical status and aging of inventories are reviewed taking into consideration the technical personnel's opinion; and provision is made for items assumed unserviceable, In determining the net realizable value of inventories, inventory price lists and average discount rates of the year are used and assumptions are made in relation to sales expenses to be incurred in the future,

2,3,1 Changes and Errors in Accounting Policies Estimates

Preparation of the accompanying financial statements in accordance with Turkish Accounting Standards; The values of some assets and liabilities in the financial statements prepared by the management require some estimates to be made regarding the explanations given about possible liabilities and the amounts of reported income and expenses, Actual amounts may differ from estimates, These estimates are reviewed at regular intervals and reported in the profit or loss statement as of the known periods,

2,4 Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash, credit card receivables, banks and short term investments of short maturity (up to 3 months) and high liquidity which are easily convertible to specific amounts of cash and maturing in a maximum of 3 months,

Inventories

Inventories are stated at the lower of cost or net realizable value, The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present state and condition, The costs of inventories are determined by weighted average cost method, Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale,

Biological Assets

Biological assets are measured at their fair value less costs to sell, and changes in fair value are recognized in profit or loss, In cases where the fair value cannot be determined reliably, it is recognized in profit or loss by deducting accumulated depreciation and accumulated impairment provisions from the cost at the end of the period,

Breeding chickens, laying hens and broiler chickens are classified under biological assets in the consolidated financial statements, Laying and breeding chickens are amortized on the basis of their economic life according to the laying period, Since these biological assets do not have an active market, they are reflected in the consolidated financial statements after deducting the accumulated amortization and impairment losses, if any,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting policies (Continued)

Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Group that gives it significant influence over the Group; or
 - iii) has joint control over the Group;
- b) The party is an associate of the Group;
- c) The party is a joint venture in which the Group is a venture;
- d) The party is member of the key management personnel of the Group or its parent;
- e) The party is a close member of the family of any individual referred to in (a) or (d);
- f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- g) The party has a post-employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group,

Tangible assets

All tangible assets are initially recognized at cost, Land, buildings and machinery-equipment are stated at fair value less depreciation after the fair value of land and buildings is determined by appraisal undertaken by professionally qualified valuation specialists, All other tangible assets are stated at cost less accumulated depreciation and provision for impairment, if any, When a tangible asset is sold, income after deduction of relevant cost and accumulated depreciation is stated in the statement of income and profit or loss, When a revalued asset is sold, the relevant revaluation funds are transferred to retained earnings,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

2, All property, plant and equipment, except Land, Building and Land Improvements, buildings and machines, were indexed as of 31 December 2004 and the dates of initial entry into the asset were taken into account when bringing the Turkish lira to purchasing power during the reporting period, Purchases after January 1, 2005 are shown at their nominal value, Depreciation for property, plant and equipment is divided using the linear depreciation method, based on the amounts adjusted for inflation accounting and the estimated useful lives of assets at the nominal values of purchases after January 1, 2005,

The cost of a tangible asset includes the purchase price, import duties and non-refundable purchase taxes, and the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating, Expenses incurred after the asset is started to be used, i.e., maintenance and repair expenditures are recognized in profit or loss in the period in which they are incurred, If the expenditures made increase an asset's economic usefulness in the future, they are added to the cost of the asset,

The increase in the carrying value of the tangible assets arising from revaluation are initially credited after deduction of deferred tax effect to the tangible assets value increase fund account under equity, The accumulated depreciation corresponding to the revaluation fund of the tangible assets accounted for by revaluation method is recognized as an expense in the relevant period,

The ranges of useful lives applied to the assets previous and current periods are as follows:

Buildings	15-50 years
Land Improvements	15-25 years
Plant, machinery and equipment	2-15 years
Motor vehicles	4-5 years
Furniture and fixtures	3-15 years
Leasehold improvements	5-15 years

Intangible assets

Intangible assets have a limited useful life and mainly include rights and computing software, These assets are reflected in the financial statements over their acquisition costs, with their accumulated amortization and net value after deducting any impairment, if any, These assets are amortized using the straight-line method within an average of five years from the date of acquisition, Maintenance and repair costs of computer software programs are expensed when service is performed,

Losses and gains arising from the disposal of intangible assets or impairment losses over their indexed values are shown in the relevant income and expense accounts, The salvage value of intangible assets is not estimated to be significant, Intangible assets are tested for impairment if their carrying value may be higher than their recoverable value,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Leases

At the inception date of the contract, the Group evaluates whether the contract is or contains a lease, If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease, To assess whether a contract provides the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16,

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received,

Leases

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying

asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option, In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment, In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability,

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate, Generally, the Company uses its incremental borrowing rate as the discount rate,

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased,

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

The lease liability is measured at amortised cost using the effective interest method, It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment,

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero,

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘loans and borrowings’ in the statement of financial position,

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, Income tax relating to transaction costs of an equity transaction is accounted for in accordance with TAS 12,

Taxes calculated on corporate earnings

Income tax expense comprises current and deferred tax, It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income,

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years,

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, It is measured using tax rates enacted or substantively enacted at the reporting date,

Current tax assets and liabilities are offset only if certain criteria are met,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used, Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences, Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves, The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities, Deferred tax assets and liabilities are offset only if certain criteria are met,

Government grants

All government grants including the nonmonetary incentives that are carried at fair value are recognized in the consolidated financial statements provided that the Group fulfils the necessary requirements to receive such incentives,

The government grants related assets, recognized in financial statements as deferred income, In case of that government incentives are presented as deferred income, they are systematically and reasonably associated with in the consolidated profit or loss and other comprehensive income statement throughout the useful life of the asset,

Government assistance that is provided in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability are recognized as the deferred tax income

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use,

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell, Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies, Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss,

Discontinued operations are an important part of the Group's disposal and its operations and cash flows can be separated from the Group as a whole, The operating results obtained until the date when the Group's control over the disposed operations ends are presented in a separate line under the heading "discontinued operations" in the consolidated statement of profit or loss, The consolidated profit or loss statement for the previous period is restated in accordance with the comparison principle, and the operating results of the discontinued operations for the previous accounting period are also classified as "discontinued operations",

The net profit/loss for the period regarding the discontinued operations is shown in a separate line as the net profit/loss from the discontinued operations in the income statement,

Employee benefits

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal, In accordance with TAS 19 Employee Benefits Standard ("TAS 19"), such payments are classified as defined retirement benefit plans, The retirement pay liability recognized in the balance sheet has been calculated based on the net present value of all employees' expected future salary amounts due to their retirement and reflected in the consolidated financial statements, All actuarial gains and losses are accounted for as other comprehensive income,

Provisions, contingent assets and liabilities

Provisions are recognized if, and only if, there is a present obligation (legal or constructive) which has arisen as a result of a past event, it is likely that the resources providing economic benefit to the company flow from the company due to such obligation, and the potential liability can be estimated reliably, If the effect of the time value of money becomes material, the provisions are stated at the expected future cash outflows discounted at the reporting date, Provisions are reviewed at each reporting date and adjustments are made so as to reflect the best estimates of the Group Management,

Contingent assets are subject to continuous evaluation in order to maintain correct recognition of relevant events, When the inflow of economic benefits is virtually certain, then the related contingent asset and the relevant income are recognized in the financial statements, When the inflow of economic benefits is probable, then the subject contingent asset is recognized in the notes to the consolidated financial statements,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Impairment on non financial assets

The Group considers evidence of impairment for these assets at both an individual asset and a collective level, All individually significant assets are individually assessed for impairment, Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified, Assets that are not individually significant are collectively assessed for impairment, Collective assessment is carried out by grouping together assets with similar risk characteristics,

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends,

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate, Losses are recognised in profit or loss and reflected in an allowance account, When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off, If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss,

Revenue

The Group recognizes revenue in accordance with EFRS 15 "Revenue from contracts with customers" standard when the goods or services is transferred to the customer and when performance obligation is fulfilled based on the following main principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer,

For each performance obligation identified, the entity determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time, If the Group transfers control of a good or sen-ice over time and therefore satisfies a performance obligation and recognises revenue over time, However, all of the Group's sales of goods and services include a single performance obligation,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting policies (Continued)

The Group recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer, An asset is transferred when the customer obtains control of that asset or service, The Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can identify each party's rights regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred:
- The contract has commercial substance,
- It is probable that Group 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,

At the beginning of the contract, the Group evaluates the goods or services it has committed in the contract with the customer and defines each commitment to transfer to the customer as a separate performance obligation, The Group also determines at contract inception whether it has fulfilled each performance obligation over time or at a point in time,

When a third party is involved in to sales transaction in order to provide of goods or services to the customer, the Group determines that the nature of its commitment is performed as a principal or agent by the Group, It is principal if the group controls the specified goods or services before transferring those goods or services to the customer, In that case, when (or as long as) it fulfills its performance

obligation, it includes the revenue in the consolidated financial statements equal to the gross amount of the price it expects to be entitled in return for the transferred goods or services, If the Group acts as an intermediary in the supply of goods or services for which a performance obligation has been determined by another party, it is in the position of an agent and does not reflect the revenue for the said performance obligation in the consolidated financial statements,

The Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component, The difference is recognised as income from operating activities in current period,

The Group's performance obligations consist of the sale of consumer products that it produces, The customer consumes the benefit obtained by the Group from the performance simultaneously, The sales transaction is recognized at the time of delivery of the manufactured products, The Group transfers control of the goods or services sold to the customer at the same time and the revenue is recognized when the performance obligation is fulfilled,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Dividend and interest income

Dividend income from equity investments is accounted for when shareholders are entitled to receive dividends as long as it is economically beneficial and income can be measured reliably, Interest income from financial assets is recognized in the records as long as it is economically beneficial and the income can be reliably measured,

Finance income and expense

The Group's finance income include interest income and foreign currency gain on financial assets and liabilities (other than trade receivables and payables),

Finance expense comprises interest expense on borrowings, interest expense of long term provisions and foreign currency losses arising from financial assets and liabilities (excluding trade receivables and payables), Borrowing costs that are not directly attributable to acquisition, construction or production of qualifying assets are recognized in profit or loss,

The foreign currency gain or losses and discount income and expenses on trade receivables and trade payables are presented under other income/expense on operating activities,

Interest income or expense is recognised using the effective interest method, Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established,

Foreign currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into TL at the exchange rates at the reporting date, The income and expenses of foreign operations are translated into TL at the exchange rates at the dates of the transactions,

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest,

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the currency of the date on which the fair value was determined, Non-monetary items measured at historical cost in foreign currencies are translated from the date on which the transaction is made,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

Exchange differences are recognized in profit or loss in the period in which they are incurred, except in the following cases:

- Exchange differences that are included in the cost of such assets that are treated as adjustment to interest costs on debts denominated in foreign currencies that relate to the assets being constructed for future use,
- Foreign exchange differences arising from transactions carried out to provide financial protection against risks arising from foreign currencies (accounting policies related to establishing financial protection against risks are explained below),

Earnings / (losses) per share

Earnings/(losses) per share is calculated by dividing the net consolidated profit or loss and other comprehensive income for the period by the weighted average number of ordinary shares outstanding during the period,

Financial Instruments

Classification and measurement of financial assets and financial liabilities

Under TFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL, The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, Instead, the hybrid financial instrument as a whole is assessed for classification,

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI, This election is made on an investment-by-investment basis, All financial assets not classified as measured at amortised for the FVOCI as described above are measured at FVTPL, This includes all derivative financial assets, On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise,

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition,

Impairment of financial assets

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities,

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition,

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs,

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information,

Under TFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date, and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument,

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition,

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BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2,4 Significant accounting policies (Continued)

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs,

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due,

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held),

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’,

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk,

2,5 New and revised standards and interpretations

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows,

a) Standards, amendments, and interpretations applicable as of 30 September 2023:

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023, The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies,
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023, These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences,
- **Amendment to IAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately, The other disclosure requirements are effective annual periods beginning on or after 1 January 2023, These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (OECD) international tax reform, The amendments also introduce targeted disclosure requirements for affected companies,

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2,5 New and revised standards and interpretations (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2023:

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024, These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability,
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024, These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction, Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted,
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** ; effective from annual periods beginning on or after 1 January 2024, These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk, The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis,
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024, This is subject to endorsement of the standards by local jurisdictions, This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain,
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024, This is subject to endorsement of the standards by local jurisdictions, This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities,

2,6 Use of accounting estimates and assumptions

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, Actual amounts may differ from the estimated amounts,

Estimates and related assumptions are reviewed on an ongoing basis, Changes to estimates are recognised prospectively,

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3 CASH AND CASH EQUIVALENTS

As of 30 September 2023 and 31 December 2022, cash and cash equivalents comprised the following:

	30 September 2023	31 December 2022
Cash on hand	721,892	371,413
Banks	769,902,996	493,986,642
- <i>Time Deposits</i>	431,342,811	109,770,982
- <i>Demand Deposits</i>	338,560,185	384,215,660
Cash at blockage (*)	30,888,755	42,504,353
Total	801,513,643	536,862,408

(*) As at 30 September 2023, blockage of TL 30,888,755 on POS accounts, (2022: TL 42,504,353),

Cash and cash equivalents included in the statement of cash flows for the nine month period ended 30 September comprised the followings:

	30 September 2023	30 September 2022
Cash and cash equivalents	801,513,643	490,536,879
Less: Blockage	(30,888,755)	(10,612,335)
Total	770,624,888	479,924,544

As of 30 September 2023 and 31 December 2022, maturity details of time and demand deposits of the Group are as follows:

	Time Deposits		Demand Deposits	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
USD	164,503,880	28,075,497	300,324,175	124,917,212
EUR	87,556,305	--	35,503,996	180,421,410
GBP	--	--	--	--
TL	86,500,000	81,695,485	95,514,640	78,877,038
	338,560,185	109,770,982	431,342,811	384,215,660

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4 FINANCIAL LIABILITIES

As at 30 September 2023 and 31 December 2022, financial borrowings comprised the following:

	30 September 2023	31 December 2022
Short term borrowings	1,488,727,101	1,378,400,089
Short term portions of long term loans	38,656,776	348,776,956
Other financial liabilities(*)	--	49,910,622
Lease liabilities	10,113,171	13,602,627
Short term financial borrowings	1,537,497,048	1,790,690,294
Long term borrowings	83,451,756	128,003,171
Lease liabilities	7,677,308	12,814,979
Long term financial borrowings	91,129,064	140,818,150
Total financial borrowings	1,628,626,112	1,931,508,444

(*) The related amounts are composed of the financial liabilities related to the supplier financing activities,

The Group has no pledges or mortgages on its financial liabilities (31 December 2022: None),

The Group's loans have fixed interest rates,

As of 30 September 2023 and 31 December 2022, the maturities of the Company's loan liabilities are as following:

	30 September 2023	31 December 2022
Less than one year	1,527,383,878	1,727,177,045
Between one and five years	83,451,755	128,003,171
	1,610,835,633	1,855,180,216

As of 30 September 2023, the details of loans are as follows:

	30 September 2023		
	Currency	TL Amount	Int, Rate %
Short Term Bank Loans	TL	1,488,727,101	%22,49- %52,50
Short Term Portions of Long Term Bank Loans	TL	38,656,776	%26,20- %37,40
Total		1,527,383,877	
Long Term Bank Loans	TL	83,451,756	9,62%- 20,78%
Total		1,610,835,633	

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4 FINANCIAL LIABILITIES (Continued)

As of 31 December 2022, the details of loans are as follows:

	31 December 2022		
	Currency	TL Amount	Int, Rate %
Short Term Bank Loans	TL	1,378,400,089	12,00%- 33,00%
Short Term Portions of Long Term Bank Loans	TL	348,776,956	9,62%- 18,25%
Total		1,727,177,045	
Long Term Bank Loans	TL	128,003,171	9,62%- 18,25%
Total		1,855,180,216	

As at 30 September 2023 and 2022, cash flows from financial operations comprised the followings:

	1 September 2023	Cash flows	Non-cash transactions (*)	30 September 2023
Financial liabilities	1,855,180,216	(236,647,273)	(7,697,310)	1,610,835,633
Other financial liabilities	49,910,622	(49,910,622)	--	--
	1,905,090,838	(286,557,895)	(7,697,310)	1,610,835,633
	1 January 2022	Cash flows	Non-cash transactions (*)	30 September 2022
Financial liabilities	1,086,721,310	499,717,973	13,543,286	1,599,982,569
Other financial liabilities	15,012,263	11,362,486	--	26,374,749
	1,101,733,573	511,080,459	(13,543,286)	1,626,357,318

(*) As at 30 September non-cash transactions consist of accrued interest,

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5 RELATED PARTIES

For the purpose of this consolidated report, the shareholders and key management personnel of the Company of companies, the ultimate shareholders of the Company and the companies controlled by/associated with them are referred to as related parties, Since transactions between the Group and its subsidiary, which is a related party of the Group, are eliminated during consolidation, they are not disclosed in this note, A number of transactions are entered into with the related parties in the normal course of business,

For the 30 September 2023, the executive members of the Group's management received aggregate compensation in amount of TL 21,367,163,78 (30 September 2022: TL 15,120,532),

As at 30 September 2023 and 31 December 2022, due from related parties and due to related parties are as follows:

Due from related parties:

	30 September 2023	31 December 2022
BRF Global GMBH	43,588,375	11,333,174
AL WAFI FOOD PRODUCTS FACTORY LLC	9,714,816	9,124,854
Total	53,303,191	20,458,028

Due to related parties:

	30 September 2023	31 December 2022
Al Wafi	14,839	10,135
BRF S,A,	--	805,515
BRF Global GMBH	3,274,916	
Federal Foods LLC	--	16,946
Total	3,289,755	832,596

Other payables to related parties:

	30 September 2023	31 December 2022
BRF S,A	5,683,548	9,697,414
BRF GLOBAL GMBH	20,619,584	966,134
FEDERAL FOODS QATAR	437,513	316,800
AL WAFI FOOD PRODUCTS FAC	407,378	294,979
TBQ FOODS GMBH	193,106,829	--
Total	219,409,961	11,275,327

Sales to related parties:

	30 September 2023	30 September 2022
BRF Global GmbH	43,308,506	385,490,656
Al Wafi	9,305,970	--
BRF Foods GmbH	--	42,468,529
Total	52,614,476	427,959,185

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5 RELATED PARTIES (Continued)

Purchase from related parties:

	30 September 2023	30 September 2022
BRF S,A	--	4,553,129
Al Wafi Food Products Factory LLC	295,456	--
BRF GLOBAL GMBH	3,326,454	--
Total	3,621,910	4,553,129

6 TRADE RECEIVABLE AND PAYABLE

Trade receivables

Trade receivables of Group as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Trade receivables from other parties	1,303,357,098	764,250,271
Trade receivables from related parties	53,303,191	20,458,028
Total	1,356,660,289	784,708,299

Details of trade receivables as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Trade receivables	1,343,421,845	779,442,570
Trade receivables from related parties (Note 5)	53,303,191	20,458,028
Provisions for doubtful receivables	(9,084,236)	(8,123,155)
Rediscount expense	(30,980,511)	(7,069,144)
Total	1,356,660,289	784,708,299

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6 TRADE RECEIVABLE AND PAYABLE (Continued)

Provisions for doubtful receivables as at 1 January - 30 September 2023 and 1 January - 30 September 2022 were as follows:

	30 September 2023	30 September 2022
Beginning balance	(8,123,154)	(9,176,311)
Increase during the period	(3,290,876)	(207,423)
Reversal of bad debt provision	2,329,794	1,111,617
Ending Balance	(9,084,236)	(8,272,117)

The Group's exposure to currency and credit risk and impairment for current trade receivables are disclosed in Note 20 and Note 21,

As of 30 September 2023 and 31 December 2022, the nature and amount of commitments obtained against notes and trade receivables are as follows:

	30 September 2023	31 December 2022
Letters of guarantee	519,405,718	281,927,625
Total	519,405,718	281,927,625

As at 30 September 2023 the Group does not have non-current trade receivables, (31 December 2022: None),

Trade payables

Trade payables of the Group as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Trade payables to other parties	3,109,950,276	2,339,297,193
Trade payables to related parties	3,289,755	832,596
Total	3,113,240,031	2,340,129,789

At 30 September 2023 and 31 December 2022, short-term trade payables comprised the following:

	30 September 2023	31 December 2022
Trade payables	3,138,886,388	2,347,579,899
Trade payables to related parties (Note 5)	3,289,755	832,596
Less: discount income	(28,936,112)	(8,282,706)
Total	3,113,240,031	2,340,129,789

The Group's exposure to foreign currency risks for short term trade payables are disclosed in Note 20, As at 30 September 2023 the Group does not have non-current trade payables, (31 December 2022: Nil)

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7 INVENTORIES

At 30 September 2023 and 31 December 2022, inventories comprised the following:

	30 September 2023	31 December 2022
Finished goods	167,038,947	239,875,909
Semi-finished goods	204,403,557	149,309,796
Raw materials and auxiliary items	761,038,363	671,746,083
Goods in transit	7,503,823	5,132,724
Provision for impairment	(27,563,713)	(18,673,193)
Total	1,112,420,977	1,047,391,319

Movements of allowance for impairment on inventories for the period ended 30 September 2023 and 2022 are as follows:

	30 September 2023	30 September 2022
Balance as at 1 January	18,673,193	24,112,841
Additions for the period, net	8,890,520	23,471,889
Total	27,563,713	47,584,730

8 BIOLOGICAL ASSETS

Breeder chickens those have useful life of 1 year, broiler daily chickens, broiler turkeys and breeder pullets are classified as biological assets as of 30 September 2023 and 31 December 2022,

Movements of biological assets at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Broiler daily chickens	662,064,658	501,436,852
Breeder chickens	189,620,792	154,659,840
Breeder pullets	158,250,310	92,820,922
Broiler turkeys	--	17,603,429
Total	1,009,935,760	766,521,043

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8 BIOLOGICAL ASSETS (Continued)

Movements of broiler daily chickens at 30 September 2023 and 31 December 2022 are as follows:

Broiler daily chickens	30 September 2023	30 September 2022
Beginning balance	501,436,852	224,292,825
Additions	926,211,603	582,645,992
Effect of physical changes (*)	5,934,065,700	4,625,190,280
Disposal (**)	(6,699,649,497)	(4,875,537,703)
Ending balance	662,064,658	556,591,394

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs,

Movements of breeder chickens at 30 September 2023 as follows:

Breeder chickens	30 September 2023		
	Cost	Accumulated depreciation	Net carrying amount
1 January 2023	379,437,875	(224,778,035)	154,659,840
Additions	--	(280,590,177)	(280,590,177)
Transfer	315,551,129	--	315,551,129
Disposals	(42,490,188)	42,490,188	--
30 September 2023	652,498,816	(462,878,024)	189,620,792

Movements of breeder chickens at 30 September 2022 as follows:

Breeder Chickens	30 September 2022		
	Cost	Accumulated depreciation	Net carrying amount
1 January 2022	203,658,654	(132,244,789)	71,413,865
Additions	182,186,100	(97,500,099)	84,686,001
Disposals	(101,416,669)	73,312,790	(28,103,879)
30 September 2022	284,428,085	(156,432,098)	127,995,987

As at 30 September 2023, total insurance on biological assets is TL 5,348,168 (30 September 2022: TL 5,348,168),

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8 BIOLOGICAL ASSETS (Continued)

Movements of breeder pullets at 30 September 2023 and 30 September 2022 are as follows:

Breeder Pullet	30 September 2023	30 September 2022
Beginning balance	92,820,922	40,991,698
Additions	159,883,769	99,641,679
Effect of physical changes (*)	221,096,748	96,650,289
Transfers to breeder chickens	(315,551,129)	(162,426,109)
Ending balance	158,250,310	74,857,557

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs,

Movements of broiler turkey at 30 September 2023 and 30 September 2022 are as follows:

Broiler turkey	30 September 2023	30 September 2022
Beginning balance	17,603,429	43,830,702
Additions	--	31,503,111
Effect of physical changes (*)	23,947,731	196,061,724
Disposal(**)	(41,551,160)	(235,343,699)
Ending balance	--	36,051,838

(*) Effect of physical changes mainly composed of feed consumptions, raiser costs, medicine, and care costs

9 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	Currency	30 September 2023		31 December 2022	
		Amount of Foreign Currency	Amount of TL	Amount of Foreign Currency	Amount of TL
A, CPM given in the name of own legal Entity	EUR	--	--	--	--
	TL	--	--	--	--
B, CPM given in favor of full consolidated Subsidiaries	TL	--	519,405,718	--	281,927,625
C, CPM given to guarantee the debts of third parties to continue their operations	TL	--	--	--	--
D, Other CPM		--	--	--	--
Total		--	519,405,718	--	281,927,625

All CPMs given by the Group consist of guarantees,

As at 30 September 2023, the ratio of other CPM's given by the Group to the Group's equity is 19,6 percent (31 December 2022: 13,2 percent),

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10 PREPAID EXPENSES

As of 30 September 2023 and 31 December 2022, prepaid expenses in current assets are as follows:

	30 September 2023	31 December 2022
Advances given to suppliers	52,817,435	117,547,599
Prepaid expenses	79,254,228	25,053,813
Advances given to breeders	34,918,778	52,846,407
Personnel advances	764,969	511,450
	167,755,410	195,959,269

At 30 September 2022 and 31 December 2022, non current prepaid expenses comprised the following:

	30 September 2023	31 December 2022
Advances given to fixed assets	12,394,475	97,601,012
Advances given to suppliers	62,489	179,968
	12,456,964	97,780,980

11 OTHER CURRENT ASSETS

As of 30 September 2023 and 31 December 2022, other current assets are as follows:

	30 September 2023	31 December 2021
Deferred Value Added Taxes (“VAT”)	803,403,600	630,513,303
Export Incentive (*)	32,649,463	30,888,733
Other	899,749	81,131
	836,952,812	661,483,167

(*) The relevant amount consists of the support given by the Ministry of Economy for the branding support program,

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12 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 30 September 2023 are as follows:

	1 January 2023	Additions	Transfer	30 September 2023
Cost				
Land, Building and Land Improvements	822,555,963	--	227,474,930	1,050,030,893
Machinery, Plant and Equipment	1,313,089,732	--	313,116,461	1,626,206,193
Motor Vehicles	1,920,182	--	--	1,920,182
Furniture and Fixture	38,408,912	--	87,515,901	125,924,813
Construction in Progress	408,285,104	271,256,962	(652,838,275)	26,703,791
Leasehold Improvements	32,381,652	--	3,279,181	35,660,833
Total	2,616,641,545	271,256,962	(21,451,803)	2,866,446,705
Accumulated Depreciation				
Land, Building and Land Improvements	--	(17,379,365)	--	(17,379,365)
Machinery, Plant and Equipment	--	(84,842,511)	--	(84,842,511)
Motor Vehicles	(1,920,182)	--	--	(1,920,182)
Furniture and Fixture	(20,883,841)	(9,186,193)	--	(30,070,034)
Leasehold Improvements	(12,066,508)	(1,762,423)	--	(13,828,931)
Total	(34,870,531)	(113,170,492)	--	(148,041,023)
Net Book Value	2,581,771,014			2,718,405,682

As at 30 September 2023 there are no mortgage or pledge on property, plant and equipment, (30 September 2022: None)

As at 30 September 2023, property, plant and equipment are insured against the earthquake, fire, flood and similar disasters amounting to TL 4,055,112,948 (30 September 2022: TL 4,055,112,948)

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12 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 30 September 2022 are as follows:

	1 January 2022	Additions	Exit	Transfer	30 September 2022
Cost					
Land, Building and Land Improvements	235,642,679	-	-	2,517,355	238,160,034
Machinery, Plant and Equipment	749,538,875	-	(133,356)	30,361,174	779,766,693
Motor Vehicles	1,920,183	-	-	--	1,920,183
Furniture and Fixture	35,899,302	-	-	956,194	36,855,496
Construction in Progress	114,190,831	147,003,684	-	(98,778,850)	162,415,665
Leasehold Improvements	12,719,646	-	-	1,097,222	13,816,868
Total	1,149,911,516	147,003,684	(133,356)	(63,846,905)	1,232,934,939
Accumulated Depreciation					
Land, Building and Land Improvements	(82,505,445)	(5,319,837)	-	-	(87,825,282)
Machinery, Plant and Equipment	(324,979,321)	(35,629,872)	52,808	-	(360,556,385)
Motor Vehicles	(1,669,505)	(45,771)	-	-	(1,715,276)
Furniture and Fixture	(17,272,797)	(2,717,200)	-	-	(19,989,997)
Leasehold Improvements	(11,022,931)	(435,025)	-	-	(11,457,956)
Total	(437,449,999)	(44,147,705)	52,808	-	(481,544,896)
Net Book Value	712,461,517	102,855,979	(80,548)	(63,846,905)	751,390,043

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13 INTAGIBLE ASSETS

Movement table of intangible assets for the year ended 30 September 2023 is as follows:

Cost	1 January	Additions	Transfer	30 September 2023
Software	86,966,717	--	21,451,802	108,418,519
Licence	5,714,136	--	--	5,714,136
Total	92,680,853	--	21,451,802	114,132,655
Accumulated Amortization(-)				
Software	(37,328,892)	(22,120,412)	--	(59,449,304)
Licence	(3,026,887)	(2,129,731)	--	(5,156,617)
Total	(40,355,779)	(24,250,143)	21,451,803	(64,605,921)
Net Book Value	52,325,074			49,526,733

Movement table of intangible fixed assets for the year ended 30 September 2022 is as follows:

Cost	1 January	Additions	Transfer	30 September 2022
Software	22,491,005	--	63,846,905	86,337,910
Licence	4,512,500	--	--	4,512,500
Total	27,003,505	--	63,846,905	90,850,410
Accumulated Amortization(-)				
Software	(20,475,112)	(9,831,078)	--	(30,306,190)
Licence	(2,876,206)	(109,888)	--	(2,986,095)
Total	(23,351,317)	(9,940,966)	--	(33,292,285)
Net Book Value	3,652,188	(9,940,966)	63,846,905	57,558,125

For the years ended 30 September 2023, amortization expenses for the current period are included in cost of sales, general administrative expenses, marketing expenses and research and development expenses, As of 31 December 2022, the Group has no internally created intangible assets (31 December 2022: None),

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14 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Assets held for sale

As of 30 September 2023 and 30 September 2022, details of the Group's assets held for sale are as follows:

	30 September 2023	30 September 2022
Beginning	23,858,923	22,818,494
Disposals(-)	(22,360,722)	(45,389)
Total	1,498,201	22,773,105

As a result of the Board of Directors decision dated 20 February 2018, property, plant and equipment amounting to TL 58,062,888 of the net book value were transferred to assets held for sale,

As of 30 September 2023, some of the asset groups consisting of the building, land and machinery and equipment have not been sold, As of 30 September 2023, assets held for sale continue to be accounted in assets, since there is no change in the sales plans of the Group Management and the sales are likely to occur in a short time,

b) Discontinued operations

For the accounting periods ended as of 30 September 2023 and 30 September 2022, the details of the Group's profit/(loss) for the period classified as discontinued operation are as follows,

	1 January- 30 September 2023	1 January- 30 September 2022
Revenue	62,981,069	270,328,568
Cost of sales (-)	(72,233,264)	(256,763,583)
Gross profit	(9,252,195)	13,564,985
General administrative expenses (-)	(4,482,212)	(21,101,627)
Operating Profit / (Loss)	(13,734,407)	(7,536,642)
Expenses from investment activities (-)	(17,380,196)	--
Profit/(Loss) before tax	(31,114,603)	(7,536,642)
Deferred tax income/(expense)	(55,788)	(111,142)
Net Profit/(Loss) for the period	(31,170,391)	(7,647,784)

i) Discontinuation of turkey activities

As part of the Group's efforts to increase efficiency and profitability, it has been determined that the turkey business unit does not make a significant contribution to the profitability; At the meeting of the

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Board of Directors dated 28 February 2023, the Group decided to terminate the turkey business operations in order to use its resources and workforce more efficiently and increase profitability, With this decision, operations related to Turkey production have been classified as "Discontinued operations",

ii) Liquidation of the subsidiary

Since Banvit ME FZE, a 100% subsidiary of Nutrinvestments BV, did not provide any benefit from continuing of its activities and it was already in an inactive state, it was decided to start the liquidation process at the general assembly meeting dated 29 March 2022, and the liquidation process was completed on 21 March 2023,

There are monetary debts and receivables arising from transactions between Banvit ME FZE and Group Companies, which are part of the net investment of the Group's current overseas activities, Exchange rate differences arising from these transactions have been accounted for in the consolidated financial statements in equity and foreign exchange translation differences, With the liquidation of the subsidiary company abroad, the foreign Exchange translation difference and the debt owed to the liquidated company have been presented as part of the discontinued operations period of profit/(loss),

15 EQUITY

(a) Capital

As at 30 September 2023, the paid-in capital of the Company comprises of 100,023,579 shares issued (31 December 2022: 100,023,579 shares) of TL 1 each (31 December 2022: TL 1), There are no privileges rights provided to different shareholder groups or individuals, The shareholder structure of the Company is as follows:

	Class	30 September 2023		31 December 2022	
		Ownership Interest	Shares (%)	Ownership Interest	Shares (%)
Shareholders					
TBQ Foods GmbH	A	91,727,012	91,71	91,727,012	91,71
Publicly traded	A	8,296,567	8,29	8,296,567	8,29
Total		100,023,579	100,00	100,023,579	100,00

As of 30 September 2023, capital adjustment differences amounting to TL 6,348,821 consist of impact of cash additions into paid-in capital due to the change in the purchasing power and which are not offset against the previous years' losses or added to shared capital, (31 December 2022: TL 6,348,821),

The Company acknowledged registered capital system under the provisions of Law No, 6362 and adopted the system with the permit of CMB dated 24 February 2011 numbered 6/181, The authorized capital limit is 300,000,000 TL and the authority to increase the capital up to the registered capital limit is given to the board of directors until 2026,

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15 EQUITY (Continued)

(b) Capital adjustment differences

As of Sep 30, 2023, capital adjustment differences amounting to TL 6,348,821 consist of capital adjustment differences arising from the adjustment of the Group's paid-in capital amount according to inflation and not offset against previous years' losses or added to the capital (31 December 2021: TL 6,348,821),

(c) Defined benefit plans re-measurement losses

Consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19 (2011),

(d) Revaluation of property, plant and equipment

The properties revaluation fund arises on the revaluation of land, When revalued land is disposed, the portion of the properties revaluation reserves that relates to that asset is transferred directly to retained earnings,

	30 September 2023	30 September 2022
Balance as at 1 January	1,675,648,819	414,037,623
Fair value increase arising from sale of tangible assets	(77,190,496)	(10,036,742)
Total	1,598,458,323	404,000,881

(e) Change in foreign exchange differences

Foreign currency translation differences arise from the translation of the operating results and financial position of the Group's foreign subsidiaries into the Group's presentation currency, TL,

(f) Hedging gains

Derivative instruments are initially recorded at their acquisition cost, which reflects their fair value at the contract date, and are valued at their fair value in the following periods, Derivative instruments of the Group mainly consist of forward foreign currency purchase and sale contracts and foreign currency and interest rate swap transactions, Although these derivative instruments provide an effective protection against risks for the Group economically, if they do not meet the necessary conditions for risk accounting, they are accounted for as trading derivatives in the consolidated financial statements and the fair value changes related to them are reflected in the consolidated profit or loss statement,

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15 EQUITY (Continued)

(f) Restricted reserves

The legal reserves consist of the first and second reserves in accordance with the Turkish Commercial Code, The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital, The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital, The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, however, they can be used to offset losses if there are no retained earnings, In 2023, the Company has no transfer to legal reserves (31 December 2022: None),

	30 September 2023	31 December 2022
First legal reserve	11,177,487	11,177,487
Second legal reserve	4,013,351	4,013,351
Total	15,190,838	15,190,838

(g) Other reserves

The immovables and all Banvit shares held by Yumtaş, a subsidiary of Banvit, were transferred to the Company prior to the bankruptcy of the subsidiary, In the consolidated financial statements as of 31 December 2009, these stocks are followed as the company's own stocks at an indexed cost of TL 22,511,632, On October 25, 2010, the company sold 4,750,293 shares of Banvit in its treasury to foreign investors at a price of 5,95 TL per share as a block,

(h) Retained earnings

The accumulated profits other than the net profit for the period is presented in retained earnings, The extraordinary reserves which are accumulated profits are also presented in retained earnings,

	30 September 2023	31 December 2022
Retained Earnings (accumulated losses)	(59,307,279)	306,157,937
Total	(59,307,279)	306,157,937

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16 REVENUE AND COST OF SALES

For the periods 1 January - 30 September 2023 and 2022, gross profit as a result of revenues and cost of sales related operating are as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Domestic sales	13,912,101,960	5,077,658,472	8,289,014,816	2,534,215,369
Export	1,609,689,399	795,783,563	1,459,561,394	1,214,926,191
Other sales	1,061,196	6,927	662,188	426,571
Gross sales	15,522,852,555	5,873,448,962	9,749,238,398	3,749,568,131
Returns and discounts (-)	(3,669,858,952)	(1,297,060,928)	(1,924,865,561)	(762,755,927)
Net sales	11,852,993,603	4,576,388,034	7,824,372,837	2,986,812,204
Cost of sales (-)	(9,716,507,194)	(3,575,616,285)	(7,045,771,577)	(2,914,650,941)
Gross profit	2,136,486,409	(1,000,771,749)	778,601,260	72,161,263

17 INCOME TAX

Current tax expense

Total income tax benefit recognized in profit or loss for the period ended 30 September 2023 and 2022 are as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Current period tax expense	(149,593,822)	(149,593,822)	(81,231,084)	13,159,844
Deferred tax income	(58,170,185)	27,126,338	4,867,012	(11,237,380)
Tax benefit	(207,764,007)	(122,467,484)	(76,364,072)	1,922,464

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17 INCOME TAX (Continued)

Current tax assets and liabilities

As at 30 September 2023,2022 total current tax liability comprised the following:

	2023	2022
Corporate tax provision	155,885,185	--
Prepaid taxes	(670,015)	(82,267,920)
Total current tax liability / (assets)	155,215,170	(82,267,920)

Recognized deferred tax assets and liabilities

As of 30 September 2023 and 31 December 2022, deferred tax assets and liabilities comprised of the following;

	30 September 2023	31 December 2022
	Assets / (Liabilities)	Assets / (Liabilities)
Property, plant and equipment and biological assets	(28,099,161)	18,939,618
Provision for severance pay	38,318,538	56,656,569
Provisions for employee benefits	15,726,067	9,225,049
Inventories	6,890,928	8,084,567
Deferred tax deducted from current year tax losses	18,728,766	18,728,766
Trade receivables	8,421,866	1,747,917
Derivatives	--	2,569,929
Trade payables	36,662,501	(1,656,541)
Other short term provisions	14,830,708	32,172,099
Government grants	(13,591,842)	27,147,383
Right-of-use assets and lease liabilities	(3,421,573)	(514,699)
Other current assets	23,424,407	--
Reveluation funds	(358,492,169)	(362,758,947)
Other	2,792,077	13,287,787
Deferred tax assets/(liabilities), net	(237,808,887)	(176,370,503)

18 EARNINGS PER SHARE

Earnings per share for the 9-month period ended 30 September 2023 amounting to TL (1,43) (30 September 2022: TL 1,82), Earnings per share is computed by dividing the net profit for the 9-months periods ended to the weighted average of the shares during these periods,

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
Profit/ (loss) for the period from continuing operations	268,326,148	381,091,767	(174,022,353)	(279,919,900)
Discontinued operating profit/(loss)	(31,170,391)	(271,979)	(7,647,784)	(9,981,404)
Number of weighted average of ordinary shares	100,023,579	100,023,579	100,023,579	100,023,579
Earnings per share / (loss) from continuing operations	(2,682)	1,623	(1,74)	(2,80)
Earnings per share / (loss) from discontinued operations	(0,311)	(0,002)	(0,07)	(0,10)

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19 OTHER OPERATING INCOME AND EXPENSES

For the nine-month period ended 30 September, other operating income comprised the following:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange gains	599,850,355	416,898,504	335,187,655	135,157,012
Rediscount income, net	74,735,964	46,984,852	52,820,722	20,239,533
Government subsidies	--	--	6,024,373	2,008,124
Provisions no longer required	--	--	1,121,095	330,533
Scrap sales revenue	9,777,670	3,145,430	6,687,089	2,884,113
Other	38,471,491	21,646,830	10,983,718	3,962,138
Other operating income	722,835,480	488,675,616	412,824,652	164,581,453

For the nine month period ended 30 September, other operating expenses comprised the following:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange losses	1,014,902,375	353,333,380	449,742,286	72,106,281
Provision expense for doubtful receivables	--	--	207,423	50,355
Provision for doubtful receivables	961,082	740,167	--	--
Other	24,202,966	2,137,047	4,975,605	2,383,177
Other operating expenses	1,040,066,423	356,210,594	454,925,314	174,539,813

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20 FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the following risks from its operations:

- Credit risk
- Market risk
- Operational risk

This note informs about, Group's exposures towards risks mentioned above, Group's goals, policies and processes for measuring and managing risks and capital management policy of the Group, Detailed descriptions and analysis mentioned in Note 21,

Financial risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework, The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies, The committee reports regularly to the board of directors on its activities,

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities, The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations,

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group, The Group audit committee is assisted in its oversight role by internal audit, Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee,

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, The carrying amounts of financial assets and contract assets represents the maximum credit exposure, Financial instruments that could cause the Group to considerably increase credit risk are mainly cash and commercial receivables, The Group has cash and cash equivalents in various financial institutions, The Group manages this risk by limiting transactions with financial institutions and by constantly evaluating the reliability of such institutions, Credit risk that may arise from trade receivables is limited by the fact that the Group management limits the amount of credit applied to customers, Trade receivables are assessed by considering their past experiences and current economic situation in the Group management and are presented as net in the balance sheet after the provision for doubtful receivables is settled (Note 7),

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20 FINANCIAL INSTRUMENTS (Continued)

Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments, The Group is subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprise at different times or in differing amounts,

Currency risk

The Group is exposed to currency risk due to its sales, import transactions and borrowings in foreign currency, These transactions are held mostly in USD and Euro,

Operational risk

Operational risk is the direct or indirect loss arising from a wide variety of factors related to the Group's processes, employees, technology and infrastructure, and external factors such as legal and regulatory requirements outside the credit risk, market risk and liquidity risk, and generally accepted standards for legal entity Risk, Operational risks arise from all Group activities,

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses, In this context, the following company procedures and internal control issues have been identified:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective,

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21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**Credit risk**

30 September 2023	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D+E)	53,303,191	1,303,357,098	--	255,989,228	769,902,996
- The part of maximum risk under guarantee with collateral	--	(519,405,718)	--	--	--
A, Net carrying value of financial assets which are neither impaired nor overdue	53,303,191	1,235,180,401	--	255,989,228	769,902,996
B, Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--
C, Net carrying value of financial assets which are overdue but not impaired	--	68,176,697	--	--	--
Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
D, Net carrying value of financial assets which are impaired	--	--	--	--	--
- Past due (gross book value)	--	9,084,236	--	--	--
- Impairment (-)	--	(9,084,236)	--	--	--
- Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E, Off balance sheet items with credit risks	--	--	--	--	--

30 September 2023	Receivables	
	Trade receivables	Other receivables
Past due 1-30 days	68,176,697	--
Past due 1-3 months	--	--
Past due 3-12 months	--	--
More than 1-5 years	--	--

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21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

31 December 2022	Receivables				Deposits on banks
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other	
Exposure to maximum credit risk as at reporting date (A +B+C+D)	20,458,028	764,250,271	-	11,811,490	493,986,642
- The part of maximum risk under guarantee with collateral	-	(281,927,625)	-	-	-
A, Net carrying value of financial assets which are neither impaired nor overdue	20,458,028	720,480,453	-	11,811,490	493,986,642
B, Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-
C, Net carrying value of financial assets which are overdue but not impaired	-	43,769,818	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	(281,927,625)	-	-	-
D, Net carrying value of financial assets which are impaired	-	-	-	-	-
- Past due (gross book value)	-	8,123,155	-	-	-
- Impairment (-)	-	(8,123,155)	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
E, Off balance sheet items with credit risks	-	-	-	-	-

31 December 2022

Receivables

	Trade receivables	Other Trade receivables
Past due 1-30 days	(35,042,364)	-
Past due 1-3 months	(26,241)	-
Past due 3-12 months	(2,413,556)	-
Past due 1-5 years	(6,287,657)	-

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 30 September 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

**21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Credit risk (Continued)

The Group works with most of its customers since its foundation and there has not been any loss due to receivables from these customers, In order to monitor credit risks, customers are regrouped according to their credit character and customer types, Most of the accounts receivable consist of the receivables from store chains,

As of 30 September 2023, the maximum credit limit granted by the Group to the branches is TL 10,000 and each credit limit offer above 10,000 TL is evaluated according to the processes determined in the Group CRM policies,

As of 30 September 2023, the Group enters its customers within the scope of the commercial credit insurance with a limit of TL 10,000-250,000 in order to secure their receivables, For the limits demanded above these limits, commercial credit insurance is applied to the processes determined in the Group's CRM policies,

Group obtains a letter of bank guarantee from its customers to avoid exposure of the collection risk or ensures that it is included in the DBS system,

Market risk

Currency risk

Transactions in foreign currency cause the risk of exchange, The exchange rate risk is managed by forward foreign exchange purchase / sale contracts based on approved policies,

Assets and liabilities in foreign currencies of the Group as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023			
	TL Equivalent	USD	EUR	GBP
1, Trade Receivables	100,642,529	1,903,633	1,671,598	--
2, Monetary Financial Assets	335,828,170	9,688,990	1,222,989	--
3, Other	--	--	--	--
4, Current Assets (1+2+3)	436,470,699	12,873,698	2,894,588	--
5, Total Assets (4)	436,470,699	12,873,698	2,894,588	--
6, Trade Payables	(1,262,368,130)	(34,352,211)	(11,010,783)	--
7, Financial Liabilities	(191,982,000)	(7,000,000)	--	--
8, Other	(28,864,603)	(1,052,454)	--	--
9, Short-Term Liabilities (6+7+8)	(1,483,214,733)	(42,404,665)	(11,010,783)	--
10, Financial Liabilities	--	--	--	--
11, Long-Term Liabilities (11)	--	--	--	--
12, Total Liabilities (9+11)	(1,483,214,733)	(42,404,665)	(11,010,783)	--
Total (5+12)	(1,046,744,034)	(29,530,967)	(8,116,195)	--

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Market risk (Continued)

	31 December 2022			
	TL Equivalent	USD	EUR	GPB
1, Trade Receivables	107,213,825	2,720,207	2,820,356	5,650
2, Monetary Financial Assets	28,074,563	1,501,450	-	-
3, Other	-	-	-	-
4, Current Assets(1+2+3)	135,288,388	4,221,657	2,820,356	5,650
5, Total Assets (4)	135,288,388	4,221,657	2,820,356	5,650
6, Trade Payables	(1,167,876,086)	(46,018,255)	(15,313,976)	(1,317)
7, Financial Liabilities	-	-	-	-
8, Short-Term Liabilities (6+7)	(1,167,876,086)	(46,018,255)	(15,313,976)	(1,317)
9, Financial Liabilities	-	-	-	-
10, Long-Term Liabilities (9)	-	-	-	-
11, Total Liabilities (8+10)	(1,167,876,086)	(46,018,255)	(15,313,976)	(1,317)
Total (4+11)	(1,032,587,698)	(41,796,598)	(12,493,620)	4,333

Exchange Rate Sensitivity Analysis
30 September 2023

	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation / depreciation of USD against TL				
1-USD net asset/liability	(80,991,630)	(80,991,630)	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(80,991,630)	80,991,630	--	--
10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(23,561,719)	(23,561,719)	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(23,561,719)	(23,561,719)	--	--
10% appreciation / depreciation of other currencies against TL				
7- Other currencies net asset/liability	--	--	--	--
8- Portion of hedged for other currencies (-)	--	--	--	--
9- Net effect of other currencies (7+8)	--	--	--	--
Total (3+6+9)	(104,553,349)	(104,553,349)	--	--

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira (“TL”) unless otherwise stated)

**21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Market risk (Continued)

Exchange Rate Sensitivity Analysis				
31 December 2022				
	Profit/(Loss)		Equities	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% appreciation / depreciation of USD against TL				
1-USD net asset/liability	(78,293,387)	78,293,387	-	-
2-Portion of hedged for USD (-)	-	-	-	-
3-Net effect of USD (1+2)	(78,293,387)	78,293,387	-	-
10% appreciation / depreciation of EUR against TL				
4- EUR net asset/liability	(24,905,907)	24,905,907	-	-
5- Portion of hedged for EUR (-)	-	-	-	-
6- Net effect of EUR (4+5)	(24,905,907)	24,905,907	-	-
10% appreciation / depreciation of other currencies against TL				
7- Other currencies net asset/liability	9,745	(9,745)	-	-
8- Portion of hedged for other currencies (-)	-	-	-	-
9- Net effect of other currencies (7+8)	9,745	(9,745)	-	-
Total (3+6+9)	(103,189,549)	103,189,549	-	-

Interest rate risk

Interest rate profile of the Group’s interest-bearing financial instruments as reported to the management of the Group is as follows:

	30 September 2023	31 December 2022
Fixed rate instruments		
Financial asset	1,303,357,098	764,250,271
Financial liabilities	1,628,626,112	1,931,508,444

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

22 SUBSEQUENT EVENTS

There is no events to disclose for Q3 period,

23 STATEMENT OF CASH FLOW DISCLOSURES

As at 30 September 2023, net cash provided from operating activities of the Group is TL 1,293,933,915 (30 September 2022: TL 218,633,611), net cash used in investing activities is TL(930,774,381) (30 September 2022: TL 998,018,203), net cash provided from financing activities is TL (349,375,959) (30 September 2022: TL 363,470,110)

24 STATEMENTS OF CHANGES IN EQUITY DISCLOSURES

The equity of the Group consist the equity Parent company in amount of TL 2,652,599,617 as of 30 September 2023 (30 September 2022: TL 1,203,300,528),

25 MATTERS THAT HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED IN ORDER TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Derivative Instruments

Hedge Accounting

The Group hedges foreign currency risk on the balance sheet by borrowing in the same currency against the exchange rate risks arising from the foreign currency sales amounts to be realised in the future dates within the scope of the contracts,

In this context, the repayments of foreign currency borrowings, which are subject to hedge accounting and designated as hedging instruments, are made with the foreign currency sales cash flows that are realised on close dates and designated as hedged items within the scope of hedge accounting,

Within the scope of the Company's foreign currency risk management strategy, the Company applies hedge accounting to hedge the foreign currency risk component of the unrecognised firm commitment fair value risk and aims to present a more realistic income statement presentation by eliminating unrealised exchange rate fluctuations on the hedged item and hedging instrument,

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ ANONİM ŞİRKETİ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(Amounts expressed in full of Turkish Lira ("TL") unless otherwise stated)

As of 30 September 2023 the assets and liabilities arising from derivative instruments are as follows:

Transaction Type	Transaction Date	Maturity Date	Exchange Rate at Maturity	Amount to be collected by the Bank	Currency	To be Sold by the Bank	Currency	30,09,2023 P/L
Forward	28,09,2023	4,01,2024	30,55	73,320,000	TRY	2,400,000	USD	-2,258,441
Forward	20,09,2023	22,01,2024	31,12	155,600,000	TRY	5,000,000	USD	-5,081,589
Forward	3,07,2023	4,10,2023	31,20	156,000,000	TRY	5,000,000	EUR	-10,394,020
Forward	2,05,2023	1,11,2023	24,27	121,350,000	TRY	5,000,000	USD	18,064,762
Forward	28,04,2023	26,10,2023	27,20	54,400,000	TRY	2,000,000	EUR	4,620,562
Forward	26,04,2023	25,10,2023	24,35	21,915,000	TRY	900,000	USD	3,065,004
Forward	26,04,2023	25,10,2023	24,35	24,350,000	TRY	1,000,000	USD	3,405,560
Forward	26,04,2023	25,10,2023	24,35	12,175,000	TRY	500,000	USD	1,702,780
Forward	18,07,2023	16,10,2023	29,30	43,950,000	TRY	1,500,000	USD	-2,461,530
Forward	2,06,2023	2,06,2023	23,58	117,900,000	TRY	5,000,000	USD	16,842,211
Toplam								27,505,299