

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION TO ENGLISH OF
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025**

(ORIGINALLY ISSUED IN TURKISH)

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

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(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

		Not reviewed	Audited
	Notes	31 March 2025	31 December 2024
ASSETS			
Current Assets			
Cash and cash equivalents	3	6,392,082,527	5,832,048,579
Trade receivables	6	2,767,679,318	2,561,402,859
-Related parties		120,441,092	158,838,342
-Other parties		2,647,238,226	2,402,564,517
Other receivables		195,352,348	179,711,445
-Other parties		195,352,348	179,711,445
Inventories	7	1,817,198,116	1,855,977,089
Biological assets	8	1,789,626,656	1,802,884,790
Prepaid expense		296,018,835	263,386,777
Other current assets		941,338,974	1,425,075,037
Total Current Assets		14,199,296,774	13,920,486,576
Non-Current Assets			
Other receivables		809,509	890,968
-Other parties		809,509	890,968
Property, plant and equipment	10	6,327,576,298	6,461,274,660
Right of use of assets		243,132,470	272,351,223
Intangible assets	11	39,630,165	46,963,709
-Other intangible assets		39,630,165	46,963,709
Prepaid expenses		62,489	298,503
Total Non-current Assets		6,611,210,931	6,781,779,063
Total Assets		20,810,507,705	20,702,265,639

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

	Notes	Not reviewed 31 March 2025	Audited 31 December 2024
LIABILITIES			
Short-term Liabilities			
Short-term borrowings	4	2,074,585,790	1,979,916,792
Short-term lease liabilities	4	73,191,410	78,707,874
-Lease liabilities to other parties		73,191,410	78,707,874
Short-term portions of long-term borrowings	4	51,302,613	54,504,819
Other financial liabilities		52,670,602	67,532,352
Trade payables	6	5,469,949,890	5,127,459,845
-Related parties		394,679,317	324,999,977
-Other parties		5,075,270,573	4,802,459,868
Liabilities related to the employee benefits		308,261,206	273,427,590
Other payables		28,487,387	136,333,114
-Related parties	5	23,450,796	20,537,378
-Other parties		5,036,591	115,795,736
Deferred revenue		82,122,542	325,929,633
- Tax provisions		392,743,078	185,261,849
Short-term provisions		346,061,884	319,058,882
-Provisions related to the employee benefits		310,761,459	286,829,281
-Other		35,300,425	32,229,601
Other short-term liabilities		488,536	--
Total Short-term Liabilities		8,879,864,938	8,548,132,750
Long-term Liabilities			
Long-term borrowings	4	55,947,111	59,484,536
Long-term lease liabilities	4	76,877,295	105,263,792
-Lease liabilities to other parties		76,877,295	105,263,792
Deferred revenue		9,884,259	10,878,889
Long-term provisions		629,816,148	662,307,011
-Provisions related to the employee benefits		629,816,148	662,307,011
Deferred tax liability	14	161,446,686	305,369,330
Total Long-term Liabilities		933,971,499	1,143,303,558
Total Liabilities		9,813,836,437	9,691,436,308
EQUITY			
Paid-in share capital	12	100,023,579	100,023,579
Inflation adjustment of capital	12	2,208,723,256	2,208,723,256
Accumulated other comprehensive expense that will not be reclassified through profit or loss		(322,525,494)	(321,502,899)
-Remeasurement of the defined benefit liability		(910,477,862)	(910,477,862)
-Fixed assets revaluation	12	587,952,368	588,974,963
Restricted reserves	12	267,919,084	267,919,084
Other reserves	12	90,921,978	90,921,978
Accumulated gains/(losses)	12	8,665,766,928	4,703,498,935
Profit/(Loss) for the period		(14,158,063)	3,961,245,398
Total Equity		10,996,671,268	11,010,829,331
Total Equity and Liabilities		20,810,507,705	20,702,265,639

The accompanying notes are an integral part of these 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 PERIODS 1 JANUARY- 31 MARCH 2025 AND 2024

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

	Notes	Not reviewed 1 January - 31 March 2025	Not reviewed 1 January - 31 March 2024
PROFIT OR LOSS			
Revenue	13	7,671,433,039	8,715,788,421
Cost of Sales (-)	13	(6,768,441,910)	(6,907,580,923)
Gross Profit from Business Operations		902,991,129	1,808,207,498
General administrative expenses (-)		(263,205,261)	(235,985,222)
Selling, marketing and distribution expenses (-)		(482,919,605)	(514,699,206)
Research and development expenses (-)		(66,278)	(305,592)
Other income from operating activities	16	252,417,526	249,866,693
Other expenses from operating activities (-)	16	(227,538,770)	(243,803,748)
Profit/(Loss) from Operating Activities		181,678,741	1,063,280,423
Income from investing activities		5,110,471	--
Loss from investing activities (-)		--	(510,499)
Profit/(Loss) from Operating Activities Before Financial Expense		186,789,212	1,062,769,924
Finance income		445,989,808	72,931,133
Finance expenses (-)		(384,620,132)	(288,009,530)
Monetary gain/loss (-)	17	(130,475,955)	461,009,568
Profit/(Loss) Before Tax		117,682,933	1,308,701,095
Tax Expense			
-Current tax (expense)/ income	14	(275,763,640)	(447,035,949)
-Deferred tax income	14	143,922,644	58,794,003
Profit/(Loss) for the Period from Continuing Operations		(14,158,063)	920,459,149
Distribution of Net Loss			
-Parent company	15	(14,158,063)	920,459,149
Profit/(Loss) per share			
Profit/(Loss) per share from continuing operations	15	(0.1415)	9.2024
OTHER COMPREHENSIVE INCOME			
That will not be reclassified through profit or loss			
-Re-measurement of the defined benefit liability		--	(37,436,882)
Total Other Comprehensive Income		--	(37,436,882)
Total Comprehensive Income for the Period		(14,158,063)	883,022,267

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

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY- 31 MARCH 2025 AND 2024

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

	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		Retained Earnings		
	<i>Paid-in capital</i>	<i>Capital adjustment differences</i>	<i>Re-measurement of the defined benefit liability</i>	<i>Revaluation funds</i>	<i>Change in foreign exchange differences</i>	<i>Other reserves</i>	<i>Restricted profit reserves</i>	<i>Retained earnings</i>	<i>Net profit/ (loss) for the period</i>	<i>Total equity</i>
Balance as at 1 January 2025	100,023,579	2,208,723,256	(910,477,862)	588,974,963		90,921,978	267,919,084	4,703,498,935	3,961,245,398	11,010,829,331
Transfers	--	--	--	(1,022,595)	--	--	--	3,962,267,993	(3,961,245,398)	--
Total comprehensive income	--	--	--	--	--	--	--	--	(14,158,063)	(14,158,063)
Balance as at 31 March 2025	100,023,579	2,208,723,256	(910,477,862)	587,952,368	--	90,921,978	267,919,084	8,665,766,928	(14,158,063)	10,996,671,268
Balance as at 1 January 2024	100,023,579	2,208,723,256	(1,171,471,089)	601,958,484	975,129,658	90,921,978	267,919,084	2,408,371,912	1,512,742,532	6,994,319,394
Transfers	--	--	--	(4,794,718)	--	--	--	1,517,537,250	(1,512,742,532)	--
Total comprehensive income	--	--	--	--	(37,436,882)	--	--	--	920,459,149	883,022,267
Balance as at 31 March 2024	100,023,579	2,208,723,256	(1,171,471,089)	597,163,766	937,692,776	90,921,978	267,919,084	3,925,909,162	920,459,149	7,877,341,661

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

	Note	Not reviewed 1 January - 31 March 2025	Not reviewed 1 January - 31 March 2024
CASH FLOWS ARISING FROM OPERATING ACTIVITIES			
Profit/(Loss) for the Period			
Profit/(Loss) for the Period from Continuing Operations		(14,158,063)	920,459,149
Adjustments Regarding Net Profit/(Loss) Reconciliation for the Period:			
Adjustment of Depreciation and Amortization		430,834,808	480,658,739
Adjustment of Decrease in Value of Trade Receivables	6	3,711,935	(839,434)
Adjustments for Fair Value (Gains)/Losses of Derivative Financial Instruments		--	(9,651,758)
Adjustment of Decrease in Value in Inventories	7	(3,996,876)	388,437,156
Adjustment of Provisions for Employee Benefits		368,315,439	354,013,564
Adjustments for Provisions		15,039,685	7,379,109
Adjustments for Tax (Income)/Expense	14	131,840,996	388,241,946
Interest Paid		272,134,245	160,445,887
Interest Income		(445,989,808)	(32,393,655)
Inflation Impact on Operating Activities		180,149,911	(350,742,254)
Changes in Working Capital		404,416,356	(771,105,194)
Change in Trade Receivables		(451,102,500)	(830,616,090)
Change in Inventories		42,775,849	169,565,857
Change in Trade Payables		798,769,221	(296,537,458)
Change in Employee Benefits		61,278,223	(39,427,493)
Change in Other Assets Regarding Operating Activities		271,055,934	139,129,259
Change in Other Liabilities Regarding Operating Activities		(318,360,371)	86,780,731
Net Cash Provided from Operating Activities		1,342,298,628	1,534,903,255
Taxes Paid		(228,991,401)	588,428,323
Payments Made within the Scope of Provisions for Employment Benefits		(206,167,065)	(260,979,702)
Net Cash Provided From Operating Activities		907,140,162	1,862,351,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds From Sale of Property, Plant, Equipment and Intangible Assets		28,041,018	176,005
Acquisition Of Property, Plant, Equipment, and Intangible Assets		(15,983,617)	(318,864,739)
Proceeds From Sale of Biological Assets		4,723,501,714	4,760,023,427
Acquisition and Physical Change on Biological Assets		(4,982,885,131)	(5,521,080,565)
Cash Advances Given and Payables		236,014	22,896,716
Net Cash Flows provided from/(Used in) Investing Activities		(247,090,002)	(1,056,849,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans	4	696,431,607	382,571,244
Repayment of Borrowings	4	(520,856,448)	(61,988,460)
Repayment of Lease Liabilities		(17,495,680)	252,995,166
Proceeds from Other Financial Borrowings		(8,897,358)	68,253,316
Interest Received		445,989,808	32,393,656
Interest Paid		(143,938,632)	(833,934,851)
Cash Flows Provided From Financing Activities		451,233,297	(159,709,929)
NET/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF TRANSLATION DIFFERENCE		1,111,283,457	645,792,791
EFFECT OF TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENTS		--	(37,436,882)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS		1,111,283,457	608,355,909
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		5,773,623,223	1,900,448,837
EFFECTS OF INFLATION ON CASH		(540,280,768)	(240,752,940)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	6,344,625,912	2,268,051,806

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

1 ORGANISATION AND OPERATION OF THE COMPANY

Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi (“the Company” or “Banvit”) was established in 1968 in Bandırma, Turkey. 8.29% of Banvit's shares (December 31, 2024: 8.29%) are publicly traded on Borsa İstanbul Anonim Şirketi (“ISE”)

The Company's principal activities include the production, processing, sales, and marketing of feed, breeder eggs, day-old broiler chicks, live broilers, broiler meat, and further processed products.

As of March 31, 2025 and December 31, 2024 the shareholders and shareholding structure of the Company are as follows:

	31 March 2025	31 December 2024
TBQ Foods GmbH	91.71%	91.71%
Other (Publicly Traded Portion)	8.29%	8.29%
Total	100%	100%

As of 31 March 2025 and 31 December 2024, the number of personnel by category is as follows:

	31 March 2025	31 December 2024
Blue collar	4,384	4,464
White collar	685	670
Total number of employees	5,069	5,134

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/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Declaration of compliance with TAS

The accompanying condensed financial statements have been prepared in accordance with the provisions of the Capital Markets Board of Turkey (“CMB”) Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets, published in the Official Gazette No. 28676 dated June 13, 2013. In accordance with Article 5 of the Communiqué, Turkish Financial Reporting Standards (“TFRS”), as promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”), along with additional standards and interpretations, have been applied. TFRS is updated through communiqués to ensure compliance with amendments in International Financial Reporting Standards.

The financial statements have been presented in accordance with the formats specified in the Announcement on TFRS Taxonomy published by POA on July 3, 2024, and the Financial Statement Examples and User Guide issued by CMB.

The Company's financial statements for the period ended March 31, 2025, were approved for issuance by the Board of Directors on April 30, 2025. The General Assembly and relevant regulatory authorities retain the right to amend the statutory financial statements and interim condensed financial statements prepared in accordance with TFRS in line with applicable regulations.

Functional and Presentation Currency

These financial statements have been presented in Turkish Lira (“TL”), which is the functional currency of the Company. Unless otherwise stated, all financial information presented in TL is expressed in TL.

Adjustment of financial statements in hyperinflationary periods

Company prepared its financial statements as at and for the period ended March 31, 2025, by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2024, and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies." The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has presented its financial statements as of December 31, 2024, on the purchasing power basis as of March 31, 2025.

In accordance with the CMB's decision dated December 28, 2024 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on December 31, 2023.

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute. As of March 31, 2025, the indexes and adjustment factors used in the restatement of the financial statements are as follows:

Dates	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
31 March 2025	2,954.69	1,000	250%
31 December 2024	2,684.55	1,1006	291%
31 March 2024	2,139.47	1,3810	211%
31 December 2023	1,859.38	1,5891	268%

The main components of Company's restatement for the purpose of financial reporting in hyperinflationary economies are as follows:

- The company financial statements for the current period presented in TL are expressed in terms of the purchasing power at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- All items in the statement of comprehensive income, except for the effects of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the income statement in the net monetary position loss account.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

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 that are measured based on historical cost in a foreign currency are not translated.

The closing exchange rates for the periods are as follows:

	31 March 2025		31 December 2024	
	Period End	Average	Period End	Average
Euro (“EUR”)/TL	40.7019	38.0984	34.8023	33.5552
United States Dollars (“USD”)/TL	37.7656	36.1994	32.2854	30.9035

Going Concern

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

Comparative Information and Restatement of Financial Statements for the Previous Period

In order to identify trends in financial position and performance, the Company's financial statements are prepared on a comparative basis with the previous period. When necessary to ensure consistency with the presentation of current period financial statements, comparative information is reclassified, and significant differences are disclosed.

In accordance with the “Implementation Guidance on Financial Reporting in Hyperinflationary Economies” published by POA, monetary position gains and losses on cash and cash equivalents are presented in the statement of cash flows, and in accordance with the 3rd approach in the implementation guidance, the effect of inflation on cash flows from operating, investing and financing activities is attributed to the relevant class of activity and the inflation effect on cash and cash equivalents is presented separately. In the 31 March 2024 Statement of Cash Flows, TL 104.230.687 has been reclassified between “Changes in Working Capital” and “Adjustments Related to Reconciliation of Net Profit for the Period” and the related reclassifications have been brought to 2025 purchasing power. There has been no change in “Cash Flows from Operating Activities”.

In the financial position statement dated 31 December 2024, the Company reclassified the bonus provision amounting to TL 13,307,487, which was previously presented under short-term provisions, as liabilities for employee benefits.

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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions

The preparation of the company financial statements require Company 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 company 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 Company.

b) *Trade receivable*

Provision for doubtful receivables is an estimated amount that Company 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 Company’s assets are determined by Company Management at acquisition date of asset and they are revised regularly. Company determines the useful lifetime of an asset by considering the assets’ approximate benefit. This assessment based on the experience of used similar assets. The Company 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.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting estimates and assumptions (Continued)

In this context, as a result of the assessments made by the Company management, it is assumed that the fair values of land, buildings and land improvements determined in the valuation studies performed as of 31 December 2022 will converge to their respective fair values as of 31 March 2025 after deducting current period depreciation and the CPI change in the related interim period.

e) *Deferred tax asset*

Deferred tax liability and asset estimation is a part of the financial statement preparation process, requiring the Company to estimate income tax for each country in which it operates. This process involves assessing current tax expenses, evaluating temporary timing differences arising from deferred income and adjustments made for reporting purposes, and estimating deferred tax assets or liabilities. The Company management recognizes deferred tax assets when it is probable that they can be recovered or deducted from future taxable income. Deferred tax assets are recognized in cases where it is likely that tax benefits will be realized in future periods. Therefore, the recognition of deferred tax assets depends on the estimation of the Company's financial performance in future periods.

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.

g) *Litigation Provision*

When recognizing litigation provisions, the probability of losing the relevant lawsuits and the potential consequences in case of an unfavorable outcome are assessed based on the opinions of the Company's legal counsel. The Company's management makes its best estimates using the available data and allocates provisions as deemed necessary. In the event of any dispute with tax authorities, the calculation of tax expenses for items where the tax assessment method cannot be fully determined requires estimations and evaluations until a decision is received from the relevant authorities or the legal process is concluded.

2.2.1 Changes in significant accounting estimates and errors

The preparation of the accompanying financial statements in conformity with Turkish Accounting Standards requires management to make estimates and assumptions regarding the carrying amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual amounts may differ from the estimates. These estimates are reviewed periodically and reported in the statement of profit or loss in the periods in which they become known.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents in the 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 fair value less costs to sell, with any changes in fair value recognized in profit or loss. If fair value cannot be reliably determined, they are measured at cost less accumulated depreciation and accumulated impairment losses.

Breeding chickens, laying hens, and broiler chickens are classified under biological assets in the financial statements. Laying hens and breeding chickens are amortized based on their economic life according to their laying periods. Since these biological assets do not have an active market, they are reflected in the financial statements at cost, less accumulated depreciation and impairment losses, if any. Broiler chickens are recorded at production cost following the end of their useful life and slaughter periods. The Company’s biological assets do not have quoted market prices, and the Company has explicitly determined that alternative fair value measurements would not be reliable.

Therefore, biological assets are measured at cost, less any accumulated depreciation and accumulated impairment losses. The Company’s management determines the useful lives of biological assets by calculating the potential number of eggs they can lay under normal conditions.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies

Related parties

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

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Company that gives it significant influence over the Company; or
 - iii) has joint control over the Company;
- b) The party is an associate of the Company;
- c) The party is a joint venture in which the Company is a venture;
- d) The party is member of the key management personnel of the Company 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, the entity, or an entity related to the entity having post-employment benefit plans for the employees.

The party has a post-employment benefit plan for the benefit of employees of the Company, or of an entity that is a related party of the Company.

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.

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.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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 finite useful lives and mainly comprise rights and IT software. These assets are carried at cost less accumulated amortization and impairment losses, if any. These assets are amortized on a straight-line basis over an average period of five years from the date of acquisition. Repair and maintenance costs of computer software programs are expensed as incurred.

Gains or losses on disposals of intangible assets or impairment losses on the indexed values of such assets are recognized in the related income and expense accounts. The scrap value of intangible assets is estimated to be not material. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Leases

At the inception date of the contract, the Company 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 Company uses the definition of a lease in TFRS 16.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date or when there is a modification in a contract that includes a lease component, the Company allocates the consideration in the contract to each lease component based on its relative stand-alone price and the aggregate stand-alone price of non-lease components. The Company has elected not to separate non-lease components from lease components but instead accounts for each lease component and the associated non-lease components as a single lease component.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability in its financial statements. The cost of the right-of-use asset consists of the initial measurement of the lease liability, lease payments made before or at the commencement date less any lease incentives received, any initial direct costs incurred, and estimated costs to dismantle, remove, or restore the underlying asset or the site where it is located.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, it is depreciated over the shorter of the asset’s useful life or the lease term. Additionally, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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 the total amount of current and deferred tax. Income tax is recognized in profit or loss, except when it relates to business combinations or items recognized directly in equity or other comprehensive income.

Current tax

In Turkey, the corporate tax rate is 25% as of March 31, 2025 (December 31, 2024: 25%). Corporate tax is calculated based on taxable profit after adjusting for non-deductible expenses and applying exemptions and deductions specified in tax laws.

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS/IFRS purposes issued by POA and its statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TAS/IFRS and tax purposes.

Government grants

All government grants including the nonmonetary incentives that are carried at fair value are recognized in the financial statements provided that the Company 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 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.

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 financial statements. All actuarial gains and losses are accounted for as other comprehensive income.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

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 Company 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 company financial statements.

Impairment on non financial assets

The Company 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 Companying together assets with similar risk characteristics.

In assessing collective impairment, the Company 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 Company 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 Company 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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Company 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 Company 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.
- Company can identify each party's rights regarding the goods or services to be transferred.
- Company can identify the payment terms for the goods or services to be transferred:
- The contract has commercial substance.
- It is probable that Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

At the beginning of the contract, the Company 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 Company 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 a sales transaction in order to provide goods or services to the customer, the Company determines that the nature of its commitment is performed as a principal or agent by the Company. It is principal if the Company 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 company 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 Company 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 financial statements.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company 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 Company's performance obligations consist of the sale of consumer products that it produces. The customer consumes the benefit obtained by the Company from the performance simultaneously. The sales transaction is recognized at the time of delivery of the manufactured products. The Company 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)

2.3 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 Company’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 Company’s right to receive payment is established.

Foreign currency

The income and expenses of foreign operations are translated into TL at the exchange rates at the dates of the transactions. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. Foreign currency denominated balances are translated into Turkish Lira with the rates at the balance sheet date. The fair values of balances denominated in foreign currencies, which are translated at period end exchange rates, are considered to approximate their carrying values.

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.

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).

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the net 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.

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.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

Impairment of financial assets

With the implementation of TFRS 9, the "Expected Credit Loss" (ECL) model has replaced the "Incurred Loss" model under TMS 39. The new impairment model applies to financial assets measured at amortized cost, contract assets, and debt instruments measured at fair value through other comprehensive income (FVOCI) but does not apply to investments in equity instruments. Under TFRS 9, credit losses are recognized earlier compared to TMS 39. Financial assets measured at amortized cost consist of trade receivables and cash and cash equivalents.

Financial assets measured at amortized cost consist of trade receivables and cash and cash equivalents.

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

- 12-month Expected Credit Loss (ECL): Represents the portion of expected credit losses resulting from possible default events related to the financial instrument that may occur within the 12 months following the reporting date.
- Lifetime ECL: Represents the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

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

- Debt instruments determined to have low credit risk at the reporting date, and
- Other debt instruments and bank balances where the credit risk (i.e., the default risk over the expected life of the financial instrument) has not significantly increased since initial recognition.

The Company has elected to measure impairment for trade receivables and contract assets using the lifetime ECL approach.

To determine whether the credit risk of a financial asset has significantly increased since initial recognition and to estimate ECLs, the Company considers reasonable and supportable information that can be obtained without excessive cost or effort, including the effects of expected early repayments.

This information includes:

- The Company’s historical credit loss experience,
- Forward-looking information, and
- Quantitative and qualitative analyses.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant accounting policies (Continued)

The Company considers a financial asset to be in default in the following cases:

- The borrower fails to fully meet its credit obligation without the Company resorting to actions such as enforcing collateral (if applicable).

To determine whether a financial instrument has low credit risk, the Company may use internal credit risk ratings or other methodologies aligned with a globally accepted definition of low credit risk, considering the type and risk characteristics of the assessed financial instruments.

The maximum period for measuring ECLs is the maximum contractual period during which the Company is exposed to credit risk.

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

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

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

The Company 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 Company is exposed to credit risk.

2.4 New and revised standards and interpretations

a) Standards, amendments, and interpretations applicable as of 31 March 2025:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2025:

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘contracts referencing nature-dependent electricity’.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 New and revised standards and interpretations (Continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces financial statements available for public use that comply with IFRS Accounting Standards.

2.5 Use of accounting estimates and assumptions

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

Estimates and related assumptions are reviewed on an ongoing basis. Changes to estimates are recognized prospectively

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3 CASH AND CASH EQUIVALENTS

As of 31 March 2025 and 31 December 2024, cash and cash equivalents comprised the following:

	31 March 2025	31 December 2024
Cash	1,524,060	1,064,595
Banks	6,343,101,852	5,772,558,628
- Time deposits	1,012,611,729	1,193,062,356
- Demand deposits	5,330,490,123	4,579,496,272
Cash at blockage (*)	47,456,615	58,425,356
Total	6,392,082,527	5,832,048,579

(*) As at 31 March 2025, TL 47,456,615 of cash blockage amount mainly comprised of the credit card receivables with a maturity less than 2 months (2024: TL 58,425,356).

Cash and cash equivalents included in the statement of cash flows for the three month period ended 31 March are comprised the followings:

	31 March 2025	31 March 2024
Cash and cash equivalents	6,392,082,527	2,330,080,398
Less: Blockage	(47,456,615)	(62,028,592)
Total	6,344,625,912	2,268,051,806

As of 31 March 2025 and 31 December 2024, maturity details of time and demand deposits of the Company are as follows:

	Time Deposit		Demand Deposit	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
USD	--	--	980,935,673	1,152,166,617
EUR	--	--	685,292	1,141,857
TL	5,330,490,123	4,579,496,272	30,990,764	39,753,882
	5,330,490,123	4,579,496,272	1,012,611,729	1,193,062,356

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4 FINANCIAL LIABILITIES

As at 31 March 2025 and 31 December 2024, financial borrowings comprised the following:

	31 March 2025	31 December 2024
Short term borrowings	2,074,585,790	1,979,916,792
Short term portions of long term loans	51,302,613	54,504,819
Other financial liabilities (*)	52,670,602	67,532,352
Lease liabilities	73,191,410	78,707,874
Short term financial borrowings	2,251,750,415	2,180,661,837
Long term borrowings	55,947,111	59,484,536
Lease liabilities	76,877,295	105,263,792
Long term financial borrowings	132,824,406	164,748,328
Total financial borrowings	2,384,574,821	2,345,410,165

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

The Company has no pledges or mortgages on its financial liabilities (31 December 2024: None).

The Company’s loans have fixed interest rates.

As of 31 March 2025 and 31 December 2024, the maturities of the Company's loan liabilities are as following:

	31 March 2025	31 December 2024
Less than one year	2,125,888,403	2,034,421,611
Between one and two year	39,727,508	42,234,462
Between one and five years	16,219,603	17,250,074
	2,181,835,514	2,093,906,147

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4 FINANCIAL LIABILITIES (Continued)

As of 31 March 2025, the details of loans are as follows:

	31 March 2025		
	Currency	TL Amount	Int. Rate %
Short term bank loans	TL	2,074,585,790	%22,09 - %26,93
Short term portions of long term bank loans	TL	51,302,613	%13,75
Total		2,125,888,403	
Long Term Bank Loans	TL	55,947,111	%13,75
Total		2,181,835,514	

As of 31 December 2024, the details of loans are as follows:

	31 December 2024		
	Currency	TL Amount	Int. Rate %
Short term bank loans	TL	1,979,916,792	%23,03 - %48,50
Short term portions of long term bank loans	TL	54,504,819	%13,75
Total		2,034,421,611	--
Long term bank loans	TL	59,484,536	%13,75
Total		2,093,906,147	

As at 31 March 2025 and 2024, cash flows from financial operations comprised the followings:

	1 January 2025	Usage	Payment	Non-cash transactions (*)	Monetary gain/loss	31 March 2025
Financial liabilities	2,093,906,147	696,431,607	(520,856,448)	110,545,602	(198,191,394)	2,181,835,514
Other financial liabilities	67,532,352	5,657,405	(14,554,763)	--	(5,964,392)	52,670,602
	2,161,438,499	702,089,012	(535,411,211)	110,545,602	(204,155,786)	2,234,506,116

	1 January 2024	Cash flows	Payment	Non-cash transactions (*)	Monetary gain/loss	31 March 2024
Financial liabilities	2,130,854,375	400,866,513	(767,373,038)	2,899,446	(266,103,892)	1,501,143,404
Other financial liabilities	2,037,334	76,545,686	(5,513,759)	--	(2,778,612)	70,290,649
	2,132,891,709	477,412,199	(772,886,797)	(2,899,446)	(268,882,504)	1,571,434,053

(*) As at 31 March non-cash transactions consist of interest accrued.

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5 RELATED PARTIES

For the purpose of this 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. A number of transactions are entered into with the related parties in the normal course of business.

For the 31 March 2025, the executive members of the Company’s management received aggregate compensation in amount of TL 16,125,451 (31 March 2024: TL 29,452,099).

As at 31 March 2025 and 31 December 2024, due from related parties and due to related parties are as follows:

Trade receivables from related parties

	31 March 2025	31 December 2024
Federal Foods (Qatar) LLC	58,265,075	42,376,899
Federal Foods LLC	51,722,390	55,563,591
Al Wafi Product Factory LLC	10,453,627	27,400,645
BRF Kuwait Food Management Co.	--	21,696,867
AL Khan Foodstuff LLC	--	11,800,340
Total	120,441,092	158,838,342

Trade payables from related parties

	31 March 2025	31 December 2024
BRF S.A	239,471,333	168,161,660
BRF Foods LLC	128,119,020	127,642,019
One Foods Holdings	27,088,964	27,807,789
BRF Global GmbH	--	1,235,570
Federal Foods (Qatar) LLC	--	152,939
Total	394,679,317	324,999,977

Other payables from related parties

	31 March 2025	31 December 2024
BRF S.A.	18,427,986	16,431,974
BRF Global GmbH	1,984,937	2,065,439
Federal Foods (Qatar) LLC	1,555,442	1,596,718
BRF GmbH	1,050,642	--
Federal Foods LLC	431,789	443,247
Total	23,450,796	20,537,378

Sales to related parties

	31 March 2025	31 March 2024
Federal Foods LLC	74,754,771	--
Federal Foods (Qatar) LLC	62,173,854	--
Al Wafi Product Factory LLC	15,958,295	103,579,134
Al Khan Foodstuff LLC	10,342,752	--
Brf Kuwait Food Management Co.	7,374,460	--
BRF Global GmbH	--	405,745,242
Total	170,604,132	509,324,376

There were no purchases of goods from related parties between the periods of January 1, 2025 - March 31, 2025, and January 1, 2024 - March 31, 2024.

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5 RELATED PARTIES (Continued)

Services received from related parties:

	31 March 2025	31 March 2024
BRF S.A. (*)	79,761,053	3,425,356
BRF GmbH (**)	900,491	--
BRF Global GmbH	--	1,282,131
Total	80,661,544	4,707,487

(*) BRF S.A. has provided information technology services amounting to 2,404,707 TL and management consulting services amounting to 77,356,346 TL.

(**) BRF GmbH has provided information technology services amounting to 900,491 TL.

6 TRADE RECEIVABLE AND PAYABLE

Trade receivables

Trade receivables of Company as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Trade receivables from other parties	2,647,238,226	2,402,564,517
Trade receivables from related parties (Note 5)	120,441,092	158,838,342
Total	2,767,679,318	2,561,402,859

Details of trade receivables as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Trade receivables	2,721,567,057	2,477,794,481
Trade receivables from related parties (Note 5)	120,441,092	158,838,342
Provisions for doubtful receivables	(9,256,832)	(6,199,260)
Rediscount expense	(65,071,999)	(69,030,704)
Total	2,767,679,318	2,561,402,859

Provisions for doubtful receivables as at 1 January - 31 March 2025 and 1 January - 31 March 2024 were as follows:

	31 March 2025	31 March 2024
Beginning balance	(6,199,260)	(13,712,365)
Increase during the period	(10,054,198)	(2,338,726)
Monetary (gain)/loss	6,342,263	3,178,160
Reversal of bad-debt provision	654,363	1,765,477
Ending Balance	(9,256,832)	(11,107,454)

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6 TRADE RECEIVABLE AND PAYABLE (Continued)

The Company’s exposure to currency and credit risk and impairment for current trade receivables are disclosed in Note 19.

As of 31 March 2025 and 31 December 2024, the nature and amount of commitments obtained against notes and trade receivables are as follows:

	31 March 2025	31 December 2024
Letters of guarantee	890,911,490	869,195,665
Total	890,911,490	869,195,665

Trade payables

Trade payables of the Company as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Trade payables to other parties	5,075,270,573	4,802,459,868
Trade payables to related parties	394,679,317	324,999,977
Total	5,469,949,890	5,127,459,845

The Company’s exposure to foreign currency risks for short term trade payables are disclosed in Note 19.

7 INVENTORIES

At 31 March 2025 and 31 December 2024, inventories comprised the following:

	31 March 2025	31 December 2024
Finished goods	499,899,748	488,113,026
Semi-finished goods	387,340,962	402,860,728
Raw materials	924,679,832	987,557,346
Goods in transit	34,417,148	10,582,439
Provision for inventories	(29,139,574)	(33,136,450)
Total	1,817,198,116	1,855,977,089

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7 INVENTORIES (Continued)

Movements of allowance for impairment on inventories for the period ended 31 March 2025 and 2024 are as follows:

	31 March 2025	31 March 2024
Balance as at 1 January	33,136,450	48,382,832
(Reversal)/provision for the period, net	(3,996,876)	(571,631)
Total	29,139,574	47,811,200

8 BIOLOGICAL ASSETS

Breeder chickens those have useful life of 1 year, broiler daily chickens and breeder pullets are classified as biological assets as of 31 March 2025 and 31 December 2024.

Movements of biological assets at 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Broiler daily chickens	1,187,586,664	1,164,844,066
Breeder chickens	366,309,205	415,310,580
Breeder pullets	235,730,787	222,730,144
Total	1,789,626,656	1,802,884,790

Movements of broiler daily chickens at 31 March 2025 and 31 March 2024 are as follows:

Broiler daily chickens	31 March 2025	31 March 2024
Beginning balance	1,164,844,066	1,180,715,762
Additions	793,593,017	733,659,368
Effect of physical changes (*)	3,952,651,295	4,032,441,208
Disposal (-)	(4,723,501,714)	(4,760,023,427)
Ending balance	1,187,586,664	1,186,792,911

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

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8 BIOLOGICAL ASSETS (Continued)

Movements of breeder chickens at 31 March 2025 as follows:

Breeder chickens	Cost	Accumulated depreciation	Net carrying amount
1 January 2025	786,504,312	(371,193,733)	415,310,579
Additions	--	(272,641,550)	(272,641,550)
Transfer	223,640,176	--	223,640,176
Disposals	(267,951,700)	267,951,700	--
31 March 2025	742,192,788	(375,883,583)	366,309,205

Movements of breeder chickens at 31 March 2024 as follows:

Breeder chickens	Cost	Accumulated depreciation	Net carrying amount
1 January 2024	721,451,810	(351,462,271)	369,989,539
Additions	--	(292,642,324)	(292,642,324)
Transfer	389,008,787	--	389,008,787
Disposals	(375,916,852)	375,916,852	--
31 March 2024	734,543,745	(268,187,743)	466,356,002

As at 31 March 2025, total insurance on biological assets is TL 6,420,152 (31 December 2024: TL 6,590,516).

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8 BIOLOGICAL ASSETS (Continued)

Movements of breeder pullets at 31 March 2025 and 31 March 2024 are as follows:

Breeder pullet	31 March 2025	31 March 2024
Beginning balance	222,730,144	308,036,431
Additions	90,840,815	114,187,483
Effect of physical changes (*)	145,800,004	251,783,719
Transfer (-)	(223,640,176)	(389,008,787)
Ending balance	235,730,787	284,998,846

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

9 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	Currency	31 March 2025		31 December 2024	
		Amount of Foreign Currency	Amount of TL	Amount of Foreign Currency	Amount of TL
A. CPM given in the name of own legal Entity	TL	--	1,597,009,907	--	1,316,714,833
B. CPM given to guarantee the debts of third parties to continue their operations	TL	--	--	--	--
C. Other CPM	TL	--	--	--	--
Total		--	1,597,009,907	--	1,316,714,833

All CPMs given by the Company consist of guarantees.

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10 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 31 March 2025 are as follows:

	1 January 2025	Additions	Disposals (-)	Transfers	31 March 2025
Cost					
Land, Building and Land Improvements	2,696,837,551	--	--	3,199,906	2,700,037,457
Machinery, Plant and Equipment	3,959,955,269	--	(31,975,352)	40,214,187	3,968,194,104
Motor Vehicles	8,693,732	--	(32,890)	--	8,660,842
Furniture and Fixture	469,371,744	--	(3,438,534)	94,500	466,027,710
Construction in Progress	59,257,543	15,983,617	--	(58,877,938)	16,363,222
Leasehold Improvements	369,707,597	--	(92,784)	--	369,614,813
Total	7,563,823,436	15,983,617	(35,539,560)	(15,369,345)	7,528,898,148
Accumulated Depreciation					
Land, Building and Land Improvements	(89,756,988)	(12,057,591)	--	--	(101,814,579)
Machinery, Plant and Equipment	(631,698,690)	(81,655,542)	5,705,275	--	(707,648,957)
Motor Vehicles	(8,321,680)	(35,993)	19,578	--	(8,338,095)
Furniture and Fixture	(122,596,534)	(7,771,224)	1,715,692	--	(128,652,066)
Leasehold Improvements	(250,174,884)	(4,786,053)	92,784	--	(254,868,153)
Total	(1,102,548,776)	(106,306,403)	7,533,329	--	(1,201,321,850)
Net Book Value	6,461,274,660				6,327,576,298

As at 31 March 2025 there are no mortgage or pledge on property, plant and equipment.

As at 31 March 2025, property, plant and equipment are insured against the earthquake, fire, flood and similar disasters amounting to TL 5,378,602,525.

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10 PROPERTY, PLANT AND EQUIPMENT

Movements of tangible assets at 31 March 2024 are as follows:

	1 January 2024	Additions	Disposals (-)	Transfers	31 March 2024
Cost					
Land, Building and Land Improvements	2,657,393,446	--	--	36,356,593	2,693,750,039
Machinery, Plant and Equipment	3,929,908,037	--	--	7,747,764	3,937,655,801
Motor Vehicles	9,596,936	--	(718,123)	--	8,878,813
Furniture and Fixture	463,227,417	--	--	3,957,419	467,184,836
Construction in Progress	79,906,409	13,706,244	--	(50,341,411)	43,271,242
Leasehold Improvements	478,967,624	--	(91,542,901)	142,797	387,567,520
Total	7,618,999,869	13,706,244	(92,261,024)	(2,136,838)	7,538,308,251
Accumulated Depreciation					
Land, Building and Land Improvements	(42,706,418)	(11,650,322)	--	--	(54,356,740)
Machinery, Plant and Equipment	(315,318,462)	(80,418,211)	--	--	(395,736,673)
Motor Vehicles	(8,501,846)	(325,650)	683,927	--	(8,143,569)
Furniture and Fixture	(93,462,088)	(7,770,368)	-	--	(101,232,456)
Leasehold Improvements	(318,368,710)	(13,261,876)	91,401,092	--	(240,229,494)
Total	(778,357,524)	(113,426,427)	92,085,019	--	(799,698,932)
Net Book Value	6,840,642,345				6,738,609,319

As at 31 March 2024 there are no mortgage or pledge on property, plant and equipment.

As at 31 March 2024, property, plant and equipment are insured against the earthquake, fire, flood and similar disasters amounting to TL 4,463,169,498.

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11 INTANGIBLE ASSETS

Movement of intangible assets for the interim period dated 31 March 2025 is as follows:

Cost	1 January 2025	Additions	Disposals (-)	Transfers	31 March 2025
Software	275,733,481	--	(1,119,276)	15,369,345	289,983,550
Licence	19,688,352	--	(58,519)	--	19,629,833
Total	295,421,833	--	(1,177,795)	15,369,345	309,613,383
Accumulated Depreciation					
Software	(233,830,421)	(22,536,030)	1,119,276	--	(255,247,175)
Licence	(14,627,703)	(132,072)	23,732	--	(14,736,043)
Total	(248,458,124)	(22,668,102)	1,143,008	--	(269,983,218)
Net book value	46,963,709				39,630,165

Movement of intangible assets for the interim period dated 31 March 2024 is as follows:

Cost	1 January 2024	Additions	Disposals (-)	Transfers	31 March 2024
Software	339,500,633	--	--	2,136,838	341,637,471
Licence	19,754,535	--	--	--	19,754,535
Total	359,255,168	--	--	2,136,838	361,392,006
Accumulated Depreciation					
Software	(211,416,707)	(21,990,390)	--	--	(233,407,097)
Licence	(14,113,166)	(134,150)	--	--	(14,247,316)
Total	(225,529,873)	(22,124,540)	--	--	(247,654,413)
Net book value	133,725,295				113,737,593

For the periods ended 31 March 2025 and 2024, 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 March 2025, the Company has no internally created intangible assets (31 March 2024: None).

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12 EQUITY

(a) Capital

As at 31 March 2025, the paid-in capital of the Company comprises of 100,023,579 shares issued (31 December 2024: 100,023,579 shares) of TL 1 each (31 December 2024: TL 1). There are no privileges rights provided to different shareholder Companies or individuals. The shareholder structure of the Company is as follows:

Class	<u>31 March 2025</u>		<u>31 December 2024</u>		
	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		100,023,579	

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 TL 8,000,000,000 and the authority to increase the capital up to the registered capital limit is given to the board of directors until 2026.

(b) Capital adjustment differences

As of March 31, 2025, capital adjustment differences amounting to TL 2,208,723,256 consist of capital adjustment differences arising from the adjustment of the Company's paid-in capital amount according to inflation and not offset against previous years' losses or added to the capital (31 December 2024: TL 2,208,723,256).

(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.

	31 March 2025	31 March 2024
Balance as at 1 January	588,974,963	479,734,822
Fair value increase arising from sale of tangible assets (-)	(1,022,595)	(3,821,182)
Total	587,952,368	475,913,640

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12 EQUITY (Continued)

(e) Change in foreign exchange differences

Foreign currency translation differences arise from the translation of equity items of foreign subsidiaries into Turkish Lira prior to December 31, 2024. As of December 31, 2024, the Company has no foreign subsidiaries.

(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 2024: None.).

	31 March 2025	31 December 2024
First legal reserve	202,334,076	202,334,076
Second legal reserve	65,585,008	65,585,008
Total	267,919,084	267,919,084

The historical values and inflation adjustment effects of the following accounts under the Company's equity are as follows as of March 31, 2024, in accordance with the CMB and TCC financial statements:

31 March 2025 (CMB)	Historical	Inflation Effect	Inflated
Paid-in share capital	100,023,579	--	100,023,579
Inflation adjustment of capital	6,348,821	2,202,374,435	2,208,723,256
Restricted reserves	15,190,838	252,728,246	267,919,084
Other reserves	5,611,290	85,310,688	90,921,978
Accumulated gains/(losses)	6,125,353,559	2,540,413,369	8,665,766,928
Total	6,252,528,087	5,080,826,738	11,333,354,825

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12 EQUITY (Continued)

31 March 2025 (Local book)	Historical	Inflation Effect	Inflated
Paid-in share capital	100,023,579	--	100,023,579
Inflation adjustment of capital	1,654,695	3,224,775,600	3,226,430,295
Restricted reserves	13,548,963	338,742,010	352,290,973
Accumulated gains/(losses)	2,874,983,044	207,224,368	3,082,207,412
Total	2,990,210,281	3,770,741,978	6,760,952,259

(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 financial statements as of 31 December 2009, these shares are followed as the company's own shares at an nominal 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.

	31 March 2025	31 December 2024
Accumulated losses	8,665,766,928	4,703,498,935
Total	8,665,766,928	4,703,498,935

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13 REVENUE AND COST OF SALES

For the periods 1 January - 31 March 2025 and 2024, gross profit as a result of revenues and cost of sales related operating are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Domestic sales	9,710,489,785	9,970,966,157
Export	575,637,776	1,328,488,346
Other sales	--	57,736
Gross sales	10,286,127,561	11,299,512,238
Returns and discounts (-)	(2,614,694,522)	(2,583,723,817)
Net sales	7,671,433,039	8,715,788,421
Cost of sales (-)	(6,768,441,910)	(6,907,580,923)
Gross profit	902,991,129	1,808,207,498

14 INCOME TAX

Current tax expense

Total income tax benefit recognized in profit or loss for the period ended 31 March 2025 and 2024 are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Current period tax expense	(275,763,640)	(447,035,949)
Deferred tax income	143,922,644	58,794,003
Tax benefit	(131,840,996)	(388,241,946)

The details of deferred tax assets and liabilities as of March 31, 2025 are as follows:

	31 March 2025 Asset/(Liability)	31 December 2024 Asset/(Liability)
Tangible & Intangible assets	(767,183,377)	(765,198,869)
Right of use assets and lease liabilities	(23,265,941)	(22,094,889)
Other short-term provisions	8,825,106	8,057,400
Inventory	17,647,224	(18,162,351)
Trade Receivables	21,685,106	22,263,175
Trade and Other Payables	38,789,848	(5,477,076)
Prepaid expenses and biological assets	40,054,183	30,895,542
Payables within the scope of employee benefits	43,511,489	22,350,948
Government Incentives	64,944,660	69,196,407
Short-term provisions for employee benefits	77,690,365	71,707,320
Provisions from employee benefits	157,454,037	165,576,753
Other	158,400,614	115,516,310
Deferred tax asset/(liability), net	(161,446,686)	(305,369,330)

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15 EARNINGS/(LOSSES) PER SHARE

Earnings/(losses) per share for the 3-month period ended 31 March 2025 amounting to TL (0.1415) (31 March 2024: TL 9.2024). Earnings/(losses) per share is computed by dividing the net profit/ (losses) for the 3-months periods ended to the weighted average of the shares during these periods.

	1 January - 31 March 2025	1 January - 31 March 2024
Earnings/(Losses) per share		
Net profit/(loss)	(14,158,063)	920,459,149
Number of weighted average of ordinary shares	100,023,579	100,023,579
Earnings/(Losses) per share (TL)	(0.1415)	9.2024

16 OTHER OPERATING INCOME AND EXPENSES

For the three-month period ended 31 March, other operating income comprised the following:

	1 January - 31 March 2025	1 January - 31 March 2024
Rediscount income, net	154,564,930	157,261,663
Foreign exchange gains	90,311,078	80,940,709
Scrap sales revenues	5,072,655	5,762,443
Other	2,468,863	5,062,444
Provisions no longer required	--	839,434
Other operating income	252,417,526	249,866,693

For the three-month period ended 31 March, other operating expenses comprised the following:

	1 January - 31 March 2025	1 January - 31 March 2024
Foreign exchange losses	220,810,156	239,646,520
Impairment loss on trade receivables	3,711,935	--
Other	3,016,679	4,157,228
Other operating expenses	227,538,770	243,803,748

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17 EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

Net Monetary Gain Loss Position reported in the statement of profit or loss arise from the following monetary financial statement items:

31 March 2025

Monetary Asset Items

Cash and cash equivalents	(540,280,768)
Trade receivables	(256,427,773)
Other receivables	(17,358,999)
Current income tax assets	(111,587,959)
Other current assets	(168,097,225)

Monetary Liability Items

Borrowings	195,606,096
Lease Liabilities	16,125,654
Trade Payables	477,293,584
Other Payables	6,298,774
Deferred Income	16,223,665
Long-term Provisions for Employee Benefits	13,826,794
Provisions	91,361,483
Current Tax Liability	146,389,511
Other Short-term Liabilities	151,208
Net Monetary Gain Position	(130,475,955)

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18 FINANCIAL INSTRUMENTS

Financial risk management

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

- Credit risk
- Market risk
- Operational risk

This note informs about, Company’s exposures towards risks mentioned above, Company’s goals, policies and processes for measuring and managing risks and capital management policy of the Company.

Financial risk management framework

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

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, 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 Company’s activities. The Company, 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 Company audit committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company 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 Company to considerably increase credit risk are mainly cash and commercial receivables. The Company has cash and cash equivalents in various financial institutions. The Company 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 Company management limits the amount of credit applied to customers. Trade receivables are assessed by considering their past experiences and current economic situation in the Company management and are presented as net in the balance sheet after the provision for doubtful receivables is settled (Note 6).

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18 FINANCIAL INSTRUMENTS (Continued)

Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The Company 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 Company 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 Company'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 Company activities.

The Company’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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19 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

31 March 2025	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)	120,441,092	2,647,238,226	--	196,161,857	6,343,101,852
- The part of maximum risk under guarantee with collateral	--	(890,911,490)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	120,441,092	2,565,749,262	--	196,161,857	6,343,101,852
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	--	81,488,964	--	--	--
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)	--	9,256,832	--	--	--
- Impairment (-)	--	(9,256,832)	--	--	--
- Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
Impairment (-)	--	--	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--

31 March 2025	Receivables	
	Trade receivables	Other receivables
Past due 1 - 30 days	81,488,964	--
Past due 1 - 3 months	--	--
Past due 3 - 12 months	--	--
More than 1 - 5 years	--	--

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

Credit risk (Continued)

31 March 2024	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)	158,838,342	2,402,564,517	--	180,602,413	5,772,558,628
- The part of maximum risk under guarantee with collateral	--	(869,195,665)	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	158,838,342	2,377,967,402	--	180,602,413	5,772,558,628
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	--	24,597,115	--	--	--
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)	--	6,199,260	--	--	--
- Impairment (-)	--	(6,199,260)	--	--	--
- Covered portion of net book value (with letter of guarantee etc.)	--	--	--	--	--
Impairment (-)	--	6,199,260	--	--	--
E. Off balance sheet items with credit risks	--	--	--	--	--

31 March 2024	Receivables	
	Trade receivables	Other receivables
Past due 1 - 30 days	24,597,115	--
Past due 1 - 3 months	--	--
Past due 3 - 12 months	--	--
More than 1 - 5 years	--	--

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

Credit risk (Continued)

The Company 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 reCompanyed according to their credit character and customer types. Most of the accounts receivable consist of the receivables from store chains.

As of 31 March 2025, the maximum credit limit granted by the Company to the branches is TL 10,000 and each credit limit offer above TL 10,000 is evaluated according to the processes determined in the Company CRM policies.

As of 31 March 2025, the Company 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 Company's CRM policies.

Company 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 Company as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025			
	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	231,261,558	3,622,114	2,321,028	--
2. Cash and Cash Equivalents	981,620,965	25,974,317	16,837	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	1,212,882,523	29,596,431	2,337,865	--
5. Total Assets (4)	1,212,882,523	29,596,431	2,337,865	--
6. Trade Payables	(2,921,699,463)	(65,934,870)	(10,475,444)	--
7. Financial Liabilities	--	--	--	--
8. Short-Term Liabilities (6+7)	(2,921,699,463)	(65,934,870)	(10,475,444)	--
9. Financial Liabilities	--	--	--	--
10. Long-Term Liabilities (9)	--	--	--	--
11. Total Liabilities (8+10)	(2,921,699,463)	(65,934,870)	(10,475,444)	--
Total (4+11)	(1,708,816,940)	(36,338,439)	(8,137,579)	--

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

Market risk (Continued)

	31 December 2024			
	TRY Equivalent	USD	EUR	GBP
1. Trade Receivables	262,680,738	3,135,314	2,241,255	--
2. Cash and Cash Equivalents	1,261,752,778	23,491,169	3,146,094	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	1,524,433,516	26,626,483	5,387,349	--
5. Total Assets (4)	1,524,433,516	26,626,483	5,387,349	--
6. Trade Payables	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
7. Financial Liabilities	--	--	--	--
8. Short-Term Liabilities (6+7)	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
9. Financial Liabilities	--	--	--	--
10. Long-Term Liabilities (9)	--	--	--	--
11. Total Liabilities (8+10)	(2,153,929,405)	(39,357,132)	(10,147,951)	(350)
Total (4+11)	(629,495,889)	(12,730,649)	(4,760,602)	(350)

**Exchange Rate Sensitivity Analysis
31 March 2025**

	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	(137,481,760)	137,481,760	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(137,481,760)	137,481,760	--	--
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(33,121,493)	33,121,493	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(33,121,493)	33,121,493	--	--
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)	(170,603,253)	170.603.253	--	--

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

(The information provided only for comparison purposes is expressed in purchasing power as of 31 March 2025.)

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

Market risk (Continued)

**Exchange Rate Sensitivity Analysis
31 December 2024**

	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	(48,164,756)	48,164,756	--	--
2-Portion of hedged for USD (-)	--	--	--	--
3-Net effect of USD (1+2)	(48,164,756)	48,164,756	--	--
10% appreciation/depreciation of EUR against TL				
4- EUR net asset/liability	(19,376,555)	19,376,555	--	--
5- Portion of hedged for EUR (-)	--	--	--	--
6- Net effect of EUR (4+5)	(19,376,555)	19,376,555	--	--
10% appreciation/depreciation of other currencies against TL				
7- Other currencies net asset/liability	(1,708)	1,708	--	--
8- Portion of hedged for other currencies (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(1,708)	1,708	--	--
Total (3+6+9)	(67,543,019)	67,543,019	--	--

20 SUBSEQUENT EVENTS

According to the information that Banvit has received by the Competition Authority on 19 January 2024, an official investigation has been launched against certain white meat producers, including Banvit, in order to determine whether Article 4 of the Law on the Protection of Competition has been violated. As part of this process, Banvit has been requested to submit a written defense.

At this stage of the investigation process, it is not possible to make a definite assessment regarding the outcome of the investigation or the exact amount of any potential administrative fine or other financial liabilities that may be imposed.

Due to an operational change to centralize the activities carried out in the İzmir Feed Factory Branch, the Board of Directors resolved to close the İzmir Feed Factory Branch. As of the reporting date, the closure process has not yet been completed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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21 STATEMENT OF CASH FLOW DISCLOSURES

As at 31 March 2025, net cash used from operating activities of the Company is TL 1,342,298,628 (31 March 2024: TL 1,534,903,255 TL), net cash used in investing activities is TL (247,090,002) (31 March 2024: TL (1,056,849,156)), net cash provided from financing activities is TL 451,233,297 (31 March 2024: TL (159,709,929)).

22 STATEMENTS OF CHANGES IN EQUITY DISCLOSURES

The equity of the Company consist the equity Parent company in amount of TL 10,996,671,268 as of 31 March 2025 (31 March 2024: TL 11,010,829,331).

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