

**AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ
GIDA SANAYİ TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED 31 DECEMBER 2025
AND 31 DECEMBER 2024**

(ORIGINALLY ISSUED IN TURKISH)



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(Convenience translation of the Independent Auditors' Report and Consolidated Financial Statements originally issued in Turkish)

SPECIAL INDEPENDENT AUDITOR'S REPORT

**To the General Assembly of
Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi And Its Subsidiaries**

Independent Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at 31 December 2025 and 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and 31 December 2024 and its financial performance and its cash flows for the years then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

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

3. Key Audit Matters

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

In our opinion, the matters described below are those that were of most significance in our audit and are therefore considered key audit matters:

Key Audit Matters	How our audit addressed the Key Audit Matter
<p><i>Revenue Recognition</i></p> <p>When the Company fulfils its performance obligation by transferring a promised good or service to its customer, the revenue is recognized in the financial statements.</p> <p>The Group's revenue consists of sales revenue from the production, storage, distribution, and marketing of flour manufacturing and products made from flour, including their additives. Additionally, it includes revenue from the purchase and sale of raw materials related to these activities. As of 31 December 2025, the revenue amount is TRY 7.297.855.153 (31 December 2024: TRY 5.836.580.229).</p> <p>Due to the nature and size of the Company's operations, there is a risk of products that are produced and delivered but not invoiced to the customer and not recorded as revenue.</p> <p>Based on the explanations mentioned above, it has been determined as a key audit matter whether the revenue of the products in this situation is recorded in the correct period, in accordance with the principle of periodicity of sales.</p> <p>Explanations on the Company's accounting policies and amounts related to revenue are included in Note 2.6 and Note 17.</p>	<p>In our audit, the following procedures were performed to assess the accuracy and completeness of revenue recognition:</p> <ul style="list-style-type: none"> - The revenue process of the Group and the design and implementation of the controls designed by the management in this process were examined. Assurance work was carried out for general controls of both operational and financial information systems applications in the process. - Contracts with customers were examined and the effects of contract items on revenue were evaluated. The terms of the contracts are determined. - Within the scope of the audit work, service sales data and records were tested on a sample basis. In addition, the procedures for the relevant account correlation and analysis were applied using the material verification procedures and data analytics tools on revenue. - In order to test the integrity and accuracy of the data used in these studies, the data obtained from accounting systems and collection information were compared. <p>As a result of our procedures, no material findings were identified in our audit of revenue recognition.</p>

3. Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
<i>Inventories</i>	
<p>The Group's inventories amounting to TRY 2.621.589.981 represent 28% of total assets.</p> <p>Inventories are measured at the lower of cost and net realizable value in the financial statements.</p> <p>The Group applies the monthly moving weighted average cost method in calculating the cost of inventories.</p> <p>The Group's cost calculation, inventory impairment policy, determination of inventory impairment provisions, and valuation of inventories have been considered as a key audit matter.</p> <p>Accounting principles and amounts regarding inventories in the financial statements are explained in detail in Note 2.6 and Note 7.</p>	<p>The audit procedures were designed to assess the valuation and impairment calculations of inventories.</p> <p>As part of our designed audit procedures:</p> <ul style="list-style-type: none"> - We participated as observers in the Group's physical inventory count to verify inventory existence, conducted counts on items selected using a sampling method, and examined the presence of slow-moving or damaged inventories. - We evaluated whether provisions for net realizable value were necessary based on changes in gross profit at both overall and product levels. - Selected inventory items were recalculated and assessed as part of the Group's cost accounting procedures. <p>Based on the results of our procedures, no material findings were identified in our audit of inventories.</p>

The Key Audit Matters	How the Key Audit Matter is addressed in our audit
<i>Application of the hyperinflationary accounting</i>	
<p>As stated in Note 2.1. to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of 31 December 2025.</p> <p>In accordance with TAS 29, consolidated financial statements and comparative figures for prior periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilised the Consumer Price Index (CPI) published by the Turkish Statistical Institute to prepare inflation adjusted financial statements. The principles applied for inflation adjustment are explained in 2.1.</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>The audit procedures performed are described below;</p> <ul style="list-style-type: none"> - Discussions were held with management responsible for financial reporting, and reviews were conducted regarding the principles considered during the application of TAS 29, identification of non-monetary accounts, and tests performed on the designed TAS 29 models, - Inputs and indices used to ensure the completeness and accuracy of calculations were tested, - Financial statements and related financial information restated in accordance with TAS 29 were reviewed - The adequacy of disclosures provided in the inflation-adjusted financial statements and related notes was assessed in accordance with TAS 29

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities for the audit of the consolidated financial statements are as follows:

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

We use our professional judgment and maintain our professional skepticism throughout the independent audit as a requirement of the independent audit conducted in accordance with the independent auditing standards published by the CMB and the SIA.

We also:

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B. Other Responsibilities Arising from Regulatory Requirements

- 1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2025 and 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
- 2) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The name of the engagement partner who supervised and concluded this audit is Nazım Hikmet.

Eren Bağımsız Denetim A.Ş.
A member firm of Grant Thornton International



Nazım Hikmet
Partner

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AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.

BALANCE SHEETS AT 31 DECEMBER 2025 AND 31 DECEMBER 2024

(Currency –Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

ASSETS	Notes	Audited	Audited
		Current Period 31 December 2025	Prior Period 31 December 2024
		TL	TL
Current Assets			
Cash and cash equivalents	3	229.656.213	66.691.929
Trade receivables			
- Due from related parties	24	28.971.924	41.105.951
- Other trade receivables	5	1.025.623.311	1.447.415.250
Other receivables			
- Due from related parties	24	26.586.529	94.247.318
- Other receivables	6	4.214	5.516
Inventories	7	2.621.589.981	1.855.346.334
Prepaid expenses	8	998.459.711	1.251.416.548
Current income tax asset	22	6.626.217	15.994.070
Other current assets	15	99.919.500	113.070.939
Total Current Assets		5.037.437.600	4.885.293.855
Non Current Assets			
Other receivables			
- Other receivables	6	296.723	388.398
Investment properties	11	99.254.448	99.254.448
Property, plant and equipment	9	3.923.995.025	1.812.757.410
Intangible assets	10	5.262.306	3.656.728
Prepaid expenses	8	65.138.087	285.188.955
Deferred tax assets	22	50.622.097	38.340.639
Total Non Current Assets		4.144.568.686	2.239.586.578
TOTAL ASSETS		9.182.006.286	7.124.880.433

The accompanying notes are integral part of these financial statements.

AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.
BALANCE SHEETS AT 31 DECEMBER 2025 AND 31 DECEMBER 2024
(Currency –Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

LIABILITIES	Notes	Audited Current Period 31 December 2025	Audited Prior Period 31 December 2024
		TL	TL
Current Liabilities			
Financial liabilities	4	1.043.674.813	1.129.705.442
Current portions of non-current borrowings	4	1.365.622.838	863.421.671
Current lease liabilities	4	19.135.717	--
Trade payables			
- Other trade payables	5	949.021.891	209.691.661
Liabilities for employee benefits	14	15.776.178	4.404.495
Deferred income	8	180.538.939	265.211.289
Current income tax liabilities	22	5.669.049	3.823.390
Current provisions			
- Provisions for employee benefits	14	10.941.750	9.689.437
- Other current provisions	13	9.544.647	2.334.793
Other current liabilities	15	14.264.778	2.167.774
Total Current Liabilities		3.614.190.600	2.490.449.952
Non Current Liabilities			
Financial liabilities	4	653.909.048	436.976.514
Non current lease liabilities	4	59.581.920	--
Trade payables	5	601.436.723	--
Non current provisions			
- Provisions for employee benefits	14	22.296.814	20.045.346
Profit distribution	22	405.967.363	422.926.291
Total Non Current Liabilities		1.743.191.868	879.948.151
EQUITY			
Equity Attributable to Owners of the Parent			
Share capital	16	218.650.000	218.650.000
Capital adjustment differences	16	1.254.401.455	1.254.401.455
Other comprehensive income/expense not to be reclassified to profit			
- Actuarial gain / loss	16	(19.745.600)	(20.656.657)
- Revaluation and reclassification gains / (loss)	16	368.056.703	368.056.703
Restricted reserves	16	1.281.076.446	1.281.076.446
Prior years' profit	16	479.714.399	412.870.677
Net profit for the period		156.403.891	66.843.722
Non controlling interests	16	86.066.524	173.239.984
Total Equity		3.824.623.818	3.754.482.330
TOTAL LIABILITIES AND EQUITY		9.182.006.286	7.124.880.433

The accompanying notes are integral part of these financial statements.

AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.
INCOME STATEMENTS

AT 31 DECEMBER 2025 AND 31 DECEMBER 2024

(Currency –Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

	Notes	Audited Current Period 1 January - 31 December 2025 TL	Audited Prior Period 1 January - 31 December 2024 TL
Revenue	17	7.297.855.153	5.836.580.229
Cost of sales (-)	17	(6.443.111.277)	(5.004.864.378)
Gross profit		854.743.876	831.715.851
General administrative expenses (-)	18	(193.922.788)	(115.166.954)
Marketing, selling and distribution expenses (-)	18	(192.164.088)	(157.763.751)
Other operating income	19	235.639.350	145.046.373
Other operating expenses (-)	19	(116.692.870)	(125.463.010)
Operating profit		587.603.480	578.368.509
Income from investing activities	20	5.129.952	7.376.800
Expenses from investing activities (-)	20	(92.199)	(44.377)
Operating profit / (loss) before financial income and (expenses)		592.641.233	585.700.932
Financial income	21	41.718.581	81.575.549
Financial expenses (-)	21	(818.871.036)	(791.405.790)
Monetary gain / (loss)	25	463.489.687	435.694.849
Profit before tax		278.978.465	311.565.540
Tax expense			
Tax for the period	22	(6.290.373)	(4.388.622)
Deferred tax income / (expense)	22	(203.457.661)	(270.131.025)
PROFIT FOR THE PERIOD		69.230.431	37.045.893
Profit distribution			
Non controlling interest		(87.173.460)	(29.797.829)
Parent company interests		156.403.891	66.843.722
PROFIT FOR THE PERIOD		69.230.431	37.045.893
Earnings per share	23	0,7	0,3

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

AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Currency –Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

	Audited	Audited
	Current Period	Prior Period
	1 January -	1 January -
	31 December 2025	31 December 2024
	TL	TL
Profit for the Period	69.230.431	37.045.893
Other Comprehensive Income / (Loss):		
Items not to be reclassified to profit or loss	(728.846)	7.214.155
Actuarial gains / loss on defined benefit plans	(911.057)	9.017.693
Deferred tax effect of actuarial gains / loss on defined benefit plans	182.211	(1.803.538)
Other Comprehensive Income / (loss)	(728.846)	7.214.155
Total Comprehensive Income / (loss)	68.501.585	44.260.048
Attributable to	68.501.585	44.260.048
- Non controlling interest	(87.173.460)	(29.797.829)
- Equity holders of the parent	155.675.045	74.057.877

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

AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.
STATEMENT OF CHANGES IN EQUITY
(Currency – Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

	Share capital	Capital inflation	Actuarial gain / (loss)	Revaluation and classification acquisition / (losses)	Restricted reserves	Prior years' profit	Net profit for the period	Equity attributable to equity holders of the parent	Non controlling interests	Total
Balance at 1 January 2024	218.650.000	1.254.401.455	(11.638.964)	368.056.703	1.253.639.808	188.899.604	223.971.073	3.495.979.679	203.037.813	3.699.017.492
Transfer to general reserves	--	--	--	--	27.436.638	223.971.073	(223.971.073)	27.436.638	--	27.436.638
Effect of changes in IAS 19 "Employee Termination Benefits" standard (Note 2)	--	--	(9.017.693)	--	--	--	--	(9.017.693)	--	(9.017.693)
Non controlling interests	--	--	--	--	--	--	--	--	(29.797.829)	(29.797.829)
Net profit for the period	--	--	--	--	--	--	66.843.722	66.843.722	--	66.843.722
Closing balance as of 31 December 2024	218.650.000	1.254.401.455	(20.656.657)	368.056.703	1.281.076.446	412.870.677	66.843.722	3.581.242.346	173.239.984	3.754.482.330
Balance at 1 January 2025	218.650.000	1.254.401.455	(20.656.657)	368.056.703	1.281.076.446	412.870.677	66.843.722	3.581.242.346	173.239.984	3.754.482.330
Transfer to general reserves	--	--	--	--	--	66.843.722	(66.843.722)	--	--	--
Effect of changes in IAS 19 "Employee Termination Benefits" standard (Note 2)	--	--	911.057	--	--	--	--	911.057	--	911.057
Non controlling interests	--	--	--	--	--	--	--	--	(87.173.460)	(87.173.460)
Net profit for the period	--	--	--	--	--	--	156.403.891	156.403.891	--	156.403.891
Closing balance as of 31 December 2025	218.650.000	1.254.401.455	(19.745.600)	368.056.703	1.281.076.446	479.714.399	156.403.891	3.738.557.294	86.066.524	3.824.623.818

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

AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET A.Ş.
STATEMENT OF CASH FLOWS

(Currency –Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

	Notes	Audited Current Period 1 January - 31 December 2025	Audited Prior Period 1 January - 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		69.230.431	37.045.893
<u>Adjustments to reconcile net cash generated</u>			
Depreciation and amortization charge	11,12,13	143.402.960	117.695.562
Provision for employee termination benefits	14	12.470.241	8.742.416
Provision for expected credit losses	5	(3.479.085)	(8.432.545)
Inventory impairment allowance	7	5.083.454	(5.874.215)
Provision for doubtful accounts	5	447.103	(60.627)
Adjustments related to discounting interest (expenses)/income	19	(30.769.042)	33.221.607
Adjustments related to interest expenses	21	519.062.331	698.491.785
Deferred tax asset / (liability), net	22	203.457.661	270.131.025
Monetary gain / (loss)		88.808.168	(5.227.296)
<u>Changes in net working capital</u>			
Increases/decreases in inventories	7	761.160.193	212.284.395
Increases/decreases in trade receivables	5	(430.893.984)	(1.057.803.795)
Increases/decreases in other receivables	6	(67.753.766)	11.412.724
Increases / decreases in prepaid expenses	8	(473.007.705)	49.854.777
Increases / decreases in other current assets	15	(13.151.439)	3.189.509
Increases / decreases in trade payables	5	(1.309.997.911)	(235.665.763)
Increases / decreases in other payables	6	(23.468.687)	(235.545.710)
Increase / decreases related to other liabilities in relation with advances received	8	84.672.350	112.499.609
Current income tax paid	22	(11.213.512)	(39.954.311)
Other short term provisions	14	(8.462.167)	3.449.225
Net Cash Flows Generated From / (Used in) Operating Activities		(484.402.406)	(30.545.735)
Paid retirement benefits	14	(3.913.336)	(3.820.379)
Capital adjustment differences		(488.315.742)	(34.366.114)
B. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash flows generated from/used in current financial liabilities	4	(416.170.538)	521.625.384
Cash flows generated from/used in non current financial liabilities	4	(216.932.534)	167.392.705
Paid interest	21	(519.062.331)	(698.491.785)
Cash flows from current operating lease activities	13	19.135.717	--
Cash flows from non current operating lease activities	13	59.581.920	--
Net Cash Flows Generated From Financing Activities		(1.073.447.766)	(9.473.696)
C. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Changes in property, plant and equipment	9	1.826.458.287	(449.241.198)
Changes in intangible assets.	10	1.184.565	(3.002.217)
Effect of non controlling interests		(87.173.460)	(29.797.829)
Net Cash Flows Used in Investment Activities		1.740.469.392	(482.041.244)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		178.705.884	(525.881.054)
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		66.691.929	940.685.880
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(15.741.600)	(348.112.897)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		229.656.213	66.691.929

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

**AKHAN UN FABRİKASI VE TARIM ÜRÜNLERİ GIDA SANAYİ TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED
31 DECEMBER 2025 AND 31 DECEMBER 2024**
(Currency – Turkish Liras “TRY” in terms of purchasing power of the “TRY” at 31 December 2025 unless otherwise expressed.)

1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE COMPANY

Akhan Group consists of Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi, which is the main company, and majority or effective management of its affiliated companies.

Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi (“the Company”) was originally established in Adana on December 14, 2005 under the trade name “Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi ve Ticaret Ltd. Şti” as a limited liability company. In 2023, the Company changed its trade name to “Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi”. The Company’s main activities include the production of flour and flour-based products, as well as the manufacture, storage, distribution, and marketing of these products and their additives. The Company also engages in the purchase, sale, import, and export of related raw materials and machinery used in flour production. In addition, the Company carries out wholesale and retail trading activities for all kinds of food products and operates store and market chains for their distribution, marketing, and sale. In 2020, in order to increase its share in the domestic market, the Company established a packaging facility with a daily packaging capacity of 400 tons for products in the premium product category. As of December 31, 2025 the Company has a total daily wheat crushing capacity of 1,250 tons across three production facilities, which operate on a three-shift basis. Furthermore, the R&D Center located at the Company’s headquarters in Adana produces 20 different types of flour (such as for baklava, croissants, churros, pizza, etc.), and new product development activities are ongoing.

The registered address of the Company is as follows; Ceyhan yolu üzeri 13. Km, Yüreğir/Adana, Türkiye.

The Company operates its general management and production activities at the headquarters located in Adana, while carrying out its production activities at the Mardin branch factory.

The registered address of the Mardin branch factory is as follows; Organize Sanayi Bölgesi 1. Bulvar Fikret Güven Caddesi No:20, Kızıltepe/Mardin, Türkiye.

The registered address of the Ankara branch office is as follows; Dumlupınar Mah. 575 Sok. No:2 Çankaya/Ankara, Türkiye.

The registered address of the İstanbul branch office is as follows; Ataköy 7-8-9-10 Kısım Mah. E5 yan yol üzeri No: 8/2 Kat:9 D:37 Bakırköy/İstanbul, Türkiye.

As of 31 December 2025 and 31 December 2024 the shareholding structure of the Company is as follows:

	31 December 2025		31 December 2024	
	TRY	Share Percentage (%)	TRY	Share Percentage (%)
Orhan İlhan	38.262.500	17,50	38.262.500	17,50
Doğan İlhan	36.077.500	16,50	36.077.500	16,50
Yunus Emre İlhan	36.077.500	16,50	36.077.500	16,50
Nihad İlhan	36.077.500	16,50	36.077.500	16,50
Emrullah İlhan	36.077.500	16,50	36.077.500	16,50
Muhammed Musa İlhan	36.077.500	16,50	36.077.500	16,50
	218.650.000	100	218.650.000	100
Capital adjustment differences	1.254.401.455		1.254.401.455	
Total	1.473.051.455		1.473.051.455	

As of 31 December 2025, the Company’s share capital is divided into 218.650.000 shares with a nominal value of TRY 1 each (31 December 2024: the Company’s share capital was divided into 218.650.000 shares with a nominal value of TRY 1 each)

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1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE COMPANY (CONTINUED)

Consolidated Subsidiaries

As of 31 December 2025 and 31 December 2024 the direct and indirect ownership shares of the companies included in consolidation by the Group are provided below;

	Registered Country	31 December 2025	31 December 2024
Azim Un Gıda Tarım İnşaat Nakliye Petrol Sanayi ve Ticaret A.Ş.	Türkiye	%66	%66

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below:

Azim Un Gıda Tarım İnşaat Nakliye Petrol Sanayi ve Ticaret Anonim Şirketi (“Azim Un”); Established on 21 August 2009, in the Organized Industrial Zone located in Kızıltepe, Mardin, the Company has gradually enhanced its daily wheat milling capacity through technological investments. Initially set at 300 tons per day, the wheat milling capacity has been increased to 500 tons per day. The company's activities include establishing factories, processing centers, workshops, and facilities for various food products such as flour, meat, delicatessen, and beverages. It also engages in the manufacturing of lentils, chickpeas, corn bulgur, semolina, bran, pasta, bread, various legumes, biscuits, and sauces, along with related processing centers. Additionally, the Company converts granulated sugar into cube sugar and processes various fruits, vegetables, vegetable oils, meat, fish, flour, starch, confectionery products, cocoa, and derivatives through industrial methods such as drying, freezing, liquefying, or grinding. It also conducts wholesale and retail sales, marketing, distribution, representation, and commitments of all types of raw materials used in the food industry, as well as import and export operations.

The Company’s headquarters and factory registered address is as follows; Mardin Organize Sanayi Bölgesi Yukarazıklı Osb. Mah. Ahmet Kayhan Cad. No:23, Kızıltepe/Mardin’dir.

On 1 November 2023, Azim Un Gıda Tarım İnşaat Nakliye Petrol San. ve Tic. A. Ş. transferred the shares owned by Orhan İlhan, Doğan İlhan, Nihad İlhan and Yunus Emre İlhan to Akhan Un Fabrikası ve Tarım Ürünleri Gıda San. Tic. A. Ş. With this transfer, Akhan Un owned 66% shares of Azim Un.

As of 31 December 2025 and 31 December 2024, the shareholding structure of the Azim Un Gıda Tarım İnşaat Nakliye Petrol Sanayi ve Ticaret Anonim Şirketi is as follows:

	31 December 2025		31 December 2024	
	TRY	Share Percentage (%)	TRY	Share Percentage (%)
Akhan Un Fabrikası ve Tarım Ürünleri Gıda San. Tic. A. Ş.	17.160.000	66,00	17.160.000	66,00
Emrullah İlhan	4.290.000	16,50	4.290.000	16,50
Muhammed Musa İlhan	4.290.000	16,50	4.290.000	16,50
Salih İlhan	260.000	1,00	260.000	1,00
	26.000.000	100	26.000.000	100

Subsidiaries in which the parent Company directly or indirectly holds 50% or more of the shares, or otherwise has control over the voting rights or the operations, are fully consolidated within the Group. Control is deemed to exist when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group is fully involved in the management of the aforementioned subsidiaries. In accordance with International Accounting Standard (IAS) 27 – Consolidated Financial Statements and Accounting for Investments in Subsidiaries, these subsidiaries have been consolidated.

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1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE COMPANY (CONTINUED)

As of 31 December 2025 and 31 December 2024 the number of personnel employed by the Group are as follows;

	31 December 2025	31 December 2024
Akhan Un Fabrikası Ve Tarım Ürünleri Gıda Sanayi Ticaret A.Ş.	270	182
Azim Un Gıda Tarım İnşaat Nakliye Petrol Sanayi ve Ticaret A.Ş.	49	48
Total	319	230

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

Financial reporting standards

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations. It has also been presented in accordance with the TFRS taxonomy published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 3 July 2024.

The Company and its subsidiaries operating in Türkiye, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

Functional and reporting presentation currency

The functional and presentation currency of the Group’s country of residence is the Turkish Lira (“TRY”). The Company uses the Turkish Lira as its functional currency as well as the currency in which its financial statements are measured and presented.

Each entity within the Group presents its financial statements in the functional currency of the primary economic environment in which it operates.

Going concern

The consolidated financial statements attached have been prepared based on the going concern principle. According to this principle, the Group will continue its operations in the foreseeable future and will be able to use its assets and fulfill its liabilities when they become due in the normal course of business.

Adjustment of financial statements in hyperinflationary periods

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of Presentation (Continued)

Adjustment of financial statements in hyperinflationary periods(Continued)

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2024 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 23 November 2023 and the published “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 reporting date, and that comparative figures for prior period financial statements be restated in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of 31 December 2024 on the purchasing power basis as of 31 December 2025

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

The restatements made in accordance with TAS 29 have been performed using the adjustment coefficient derived from the Consumer Price Index (“CPI”) in Türkiye, published by the Turkish Statistical Institute (“TURKSTAT”). As of 31 December 2025, the indices and adjustment coefficients used in the restatement of the financial statements are as follows:

	Index	Adjustment Factor	Cumulative Inflation Rates Over Three Years
31 December 2025	3.513,87	1,00000	211%
31 December 2024	2.684,55	1,30892	291%
31 December 2023	1.859,38	1,88980	268%

The main elements of the adjustments made by the Group for financial reporting purposes in highly inflationary economies are as follows:

- The consolidated financial statements for the current period prepared in TRY are expressed in terms of the purchasing power of money as of the balance sheet date, with the amounts from previous reporting periods also adjusted according to the purchasing power of money as of the latest balance sheet date.
- Monetary assets and liabilities (cash and cash equivalents, trade receivables and payables, borrowings, etc.) are not restated as they are already expressed in terms of the current purchasing power as of the balance sheet date. In cases where the inflation-adjusted values of non-monetary items (inventories, tangible and intangible fixed assets, equity items, etc.) exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets and liabilities, as well as equity items that are not expressed in terms of the current purchasing power as of the balance sheet date, have been restated using the relevant adjustment coefficients.
- All items in the income statement, except for non-monetary items in the balance sheet that affect the income statement, have been indexed using the coefficients calculated based on the periods in which income and expense accounts were initially reflected in the financial statements.
- Inflation’s effect on the Group’s net monetary asset position in the current period has been recognized in the statement of profit or loss under net monetary position gains/(losses).(Note 25)

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2. Restatement and Errors in the Accounting Policies Estimates

Accounting policy changes arising from the first-time adoption of a new standard, if any, are applied retrospectively or prospectively in accordance with the relevant transitional provisions. Changes for which no specific transitional provisions exist, voluntary significant changes in accounting policies, or identified accounting errors are applied retrospectively, and prior period consolidated financial statements are restated accordingly. Changes in accounting estimates that affect only the current period are recognized in the current period in which the change occurs, while those affecting both the current and future periods are recognized in the period of change and prospectively in future periods.

2.3. Comparative Information and Restatement of Prior Period Consolidated Financial Statements

To enable the identification of financial position and performance trends, the Group’s consolidated financial statements are prepared on a comparative basis with the prior period. Comparative information is reclassified when necessary to ensure consistency with the presentation of the current period consolidated financial statements, and significant differences are disclosed.

2.4. Accounting of business combinations under common control

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are controlled by the same party or parties both before and after the combination, and such control is not temporary. On November 1, 2023, Azim Un Gıda Tarım İnşaat Nakliye Petrol San. ve Tic. A.Ş. transferred its shares owned by Orhan İlhan, Doğan İlhan, Nihad İlhan, and Yunus Emre İlhan to Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret A.Ş. As a result of this transfer, Akhan Un acquired 66% of Azim Un’s shares.

2.5. The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2025 are as follows

Amendments to IAS 21 - Lack of exchangeability

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will wait until the final amendment to assess the impact of the changes.

IFRS 17 - The new Standard for insurance contracts

The amendments are not applicable to the Group and will have no impact on the financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

The amendments did not have a significant impact on the financial position or performance of the Group.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.5. The new standards, amendments and interpretations(Continued)

Annual Improvements to IFRSs – Volume 11

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'.
- IAS 7 Statement of Cash Flows – Cost Method'.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces IAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The amendments are not applicable to the Group and do not have any impact on the Group’s financial position or financial performance.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of IFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under IFRS.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity’s functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation’s comparative figures. The amendments also introduce certain additional disclosure requirements.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.6. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Akhan Un Fabrikası ve Tarım Ürünleri Gıda Sanayi Ticaret Anonim Şirketi, and its subsidiaries, affiliates, joint ventures and financial investments accounts prepared according to the principles set forth in the following articles. During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the TAS/IFRS, which was put into effect by the POA in accordance with the provisions of the Communiqué Serial II, No. 14.1, and compliance with the accounting policies and presentation styles applied by the Group.

Subsidiaries

Subsidiaries refer to companies in which the Company is exposed to or has rights to variable returns from its involvement with the investee, and over which it has control because it has the ability to affect these returns through its power over the investee.

Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group and are excluded from the scope of consolidation on the date that control ceases.

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfilment of the following conditions:

- i.) has power over the investee/asset,
- ii.) is open to or entitled to variable returns from the investee/asset, and
- iii.) can use its power to have an impact on returns.

In the event of a situation or event that may cause any change in at least one of the criteria listed above, the Company re-evaluates whether it has control over its investment.

The financial position statements and profit or loss statements of the subsidiaries are consolidated using the full consolidation method, and the book values of the subsidiaries owned by the Company and their equity are mutually offset. Intra-group transactions and balances between the Company and its subsidiaries are deducted during consolidation. The book values of the shares owned by the Company and the dividends arising from them have been netted off from the related equity and profit or loss statement accounts.

Branches

Branches do not have a separate legal personality from the parent company. Therefore, all rights and obligations arising from branch operations belong to the parent company. Financial information related to branches is included in the financial statements of the parent company.

Although a branch may act independently from the parent Company in its commercial relations with third parties and companies, the rights and obligations arising from its transactions belong to the parent company. Legal cases that may arise as a result of the transactions of the branch can be heard in the relevant court in the headquarters of the parent Company or in the relevant courts in the center where the branch is located. The financial statement items of the Branch were combined one by one and mutually lowered from each other.

Non-controlling interests

Non-controlling interests are measured in their proportional share of the acquirer's net assets at the acquisition date. Changes in the shares of subsidiaries without losing the Group's control power are accounted for as equity transactions. Accordingly, in additional share purchase transactions from non-controlling interests, the difference between the acquisition cost and the book value of the company's net assets in proportion to the purchased shares is accounted for under equity. In the sale of shares to non-controlling interests, losses or gains resulting from the difference between the sales price and the book value of the company's net assets in proportion to the sold share are also accounted for under equity.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Principles of Consolidation (Continued)

Transactions eliminated on consolidation

Intra-group balances and transactions and unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains from transactions with equity are eliminated in proportion to the Group's interest in the investee. In the absence of any impairment, unrealized losses are eliminated in the same way as unrealized gains.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 3). Bank deposits with original maturities of more than three months are classified under short-term financial investments.

Financial instruments

Financial assets and liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) are added to or subtracted from the fair value of those financial assets and liabilities at initial recognition, as appropriate. Transaction costs directly related to the acquisition or issuance of financial assets and liabilities are recognized directly in profit or loss.

Financial assets

Financial assets bought and sold in the normal way are recorded or removed at the transaction date.

The Group classifies its financial assets based on:

- (a) the business model used to manage the financial assets; and
- (b) the characteristics of the contractual cash flows of the financial assets. Accordingly, financial assets are measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. The Group reclassifies all affected financial assets only when it changes its business model for managing financial assets. Such reclassification is applied prospectively from the reclassification date. In such cases, no adjustments are made to previously recognized gains, losses (including impairment gains or losses), or interest.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (“FVTPL”).

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Classification of financial assets (Continued)

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) *Amortized cost and effective interest method*

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
- b) financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognized in consolidated profit or loss statement. Interest income is recognized as income from investments if it is based on deposits. Interest income from in-group borrowings are shown as finance income.

(ii) *Financial assets at fair value through profit or loss*

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each period and all fair value changes are accounted for in profit or loss unless the related financial assets are part of the hedging transactions (see hedge accounting policy).

Equity Instruments with Fair Value Changes Recognized in Other Comprehensive Income

Upon initial recognition in the financial statements, the Group may make an irrevocable election to present subsequent changes in the fair value of each equity instrument not held for trading in other comprehensive income.

A financial asset is considered to be held for trading under the following conditions:

- It was acquired with the intention of being sold in the near future,
- It is part of a portfolio of financial instruments jointly managed by the Group at the time of initial recognition, and there is evidence that the Group has a recent tendency to profit in the short term,
- It is a derivative instrument (excluding financial collateral agreements or derivatives that are designated and effective hedging instruments).

Investments in equity instruments with fair value changes recognized in other comprehensive income are initially measured at fair value, plus transaction costs. Subsequently, gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the revaluation reserve. In the case of disposal of equity investments, the accumulated total gains or losses are transferred to retained earnings.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the ‘other gains and losses’ line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’ line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognizes an allowance for impairment in its financial statements for expected credit losses on debt instruments measured at amortised cost or at fair value through other comprehensive income, lease receivables, trade receivables, contract assets arising from contracts with customers, and investments in financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial asset.

For trade receivables, contract assets arising from contracts with customers, and lease receivables that do not contain a significant financing component, the Group applies the simplified approach and measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial instruments, the Group recognizes lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes a loss allowance equal to 12-month expected credit losses.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if a default occurs), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted for forward-looking information. The exposure at default of financial assets is reflected by the gross carrying amount of the related assets as of the reporting date.

The expected credit loss on financial assets represents the present value of all cash shortfalls, which is the difference between all contractual cash flows that the Group is entitled to receive and all the cash flows the Group expects to receive, discounted using the original effective interest rate (or the credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

- a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
- b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
- c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

The Group recognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the ‘reporting entity’).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i.) has control or joint control over the reporting entity;
 - ii.) has significant influence over the reporting entity;
 - iii.) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies
 - i.) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiaries and fellow subsidiaries is related to the others).
 - ii.) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
 - iii.) Both entities are joint ventures of the same third party.
 - iv.) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v.) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Related parties(Continued)

- vi.) The entity is controlled or jointly controlled by a person identified in (a).
vii.) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with a related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding it is with or without a value.

Trade receivables

Trade receivables arising from the supply of goods or services to customers are presented net of unaccrued finance income. Subsequent to unaccrued finance income, trade receivables are measured by discounting the amounts expected to be collected using the effective interest method based on the original invoice amount. Short-term receivables without a specified interest rate are presented at their original invoice amounts when the effect of the original effective interest rate is not significant.

An allowance for impairment is recognized for trade receivables when there is objective evidence that collection is no longer probable. Objective evidence includes situations such as the receivable being in litigation or enforcement proceedings, the customer experiencing significant financial difficulties, defaulting on payment, or it being probable that a significant and unforeseeable delay in payment will occur. The amount of the allowance is the difference between the carrying amount of the receivable and the recoverable amount. The recoverable amount is the present value of all expected cash flows, including amounts recoverable from guarantees and collateral, discounted using the original effective interest rate of the related trade receivable.

If all or part of a previously impaired receivable is subsequently collected, the amount recovered is deducted from the allowance for impairment and recognized in other operating income.

For trade receivables measured at amortized cost in the financial statements that do not contain a significant financing component (those with maturities of less than one year), the Company has applied the “simplified approach” as defined in TFRS 9 for impairment calculations. Under this approach, the Company measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses, except for receivables that are not impaired due to specific reasons (excluding incurred credit loss events).

Trade payables

Trade payables refer to the payments to be made for goods and services provided from suppliers in ordinary activities. Trade payables are first measured from their fair value and amortized cost calculated using the effective interest method in the following periods.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property, plant and equipment

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses. Land and lands are not subject to depreciation and are shown at cost less accumulated impairment losses.

In cases where the assets cannot be converted into money over the value they carry, it is checked whether there is any impairment in the assets. If there is such an indication and the value of the assets exceeds the estimated amount to be realized, the assets or cash generating units are brought to their realizable values.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment(Continued)

The realizable amount is the higher of the asset's net selling price and net book value in use. To determine the amount of net book value in use, estimated future cash flows are discounted using the pre-tax discount rate, which measures the time value of money and the risk nature of the asset. The net book value in use of a non-independent cash-generating asset is determined for the cash-generating Group to which the asset belongs. Provision for impairment expenses are recognized in the consolidated statement of profit or loss.

Except for land and investments in progress, the cost or valued amounts of tangible assets are depreciated using the straight-line method over their expected useful lives or production volumes. The expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

The rates used in the amortization of tangible fixed assets are as follows;

	Useful Life
Buildings	50 years
Machinery and equipment	4-15 years
Motor vehicles	4-5 years
Furniture, fixtures and office equipment	3-18 years
Leasehold improvements	5 years
Other property, plant and equipment	3-15 years

The carrying amount of a tangible fixed asset is the higher of its recoverable amount, which is either the asset's value in use or the net selling price after deducting the costs to sell. As of the reporting date, the useful lives of the assets are reviewed and adjusted when necessary.

Maintenance and repair expenses are recorded as expenses in the profit or loss statement for the period in which they are incurred. The Group removes the carrying amounts of replaced parts, regardless of whether those parts are amortized separately from other components, based on the renewals made. Major renewals are amortized based on the shorter of the remaining useful life of the related tangible fixed asset or the economic life of the renewal itself.

Advances given for tangible fixed asset purchases are recorded under prepaid expenses in the balance sheet until the related asset is capitalized or recognized under the ongoing investments account.

Expenditures incurred after capitalization are added to the cost of the relevant asset or recognized as a separate asset in the financial statements if it is probable that the future economic benefits will flow to the entity and the cost of the expenditure can be measured reliably. Tangible fixed assets are reviewed for impairment in circumstances where their carrying amount may exceed their recoverable amount. To determine impairment, assets are grouped at the lowest level of cash-generating units (Cash-generating unit).

Intangible assets

Intangible assets with a finite life are presented at their cost less accumulated amortization and accumulated impairment losses.

These assets are amortized using the straight-line method based on their expected useful lives and production volumes. The expected useful life and amortization method are reviewed annually to identify the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Intangible assets (Continued)

The amortization rates for intangible assets are presented below:

The useful lives of the intangible assets are as follows:

Rights	Useful life 3 years
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Computer Software

Purchased computer software is capitalized based on the costs incurred during the purchase and the period until it is ready for use.

Derecognition of Intangible Assets

An intangible asset is derecognized from the financial position statement (balance sheet) when it is disposed of or when it is expected that no future economic benefits will be derived from its use or sale. Any gain or loss resulting from the derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the asset and its carrying amount. This difference is recognized in profit or loss when the asset is derecognized from the financial position statement (balance sheet).

Finance leases

The Group - as the leasee

The Group evaluates whether a contract is a lease or contains lease terms at the inception of the contract. The Group recognizes the right-of-use asset and the related lease liability for all leases of which it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as operating expense on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the timing structure in which the economic benefits from the leased assets are used.

In the initial recognition, lease obligations are accounted for at the present value of the lease payments that were not paid at the contract inception date, discounted at the lease rate. If this rate is not specified beforehand, the Group uses the alternative borrowing rate to be determined by itself.

The lease payments included in the measurement of the lease liability consist of:

- fixed lease payments (substantially fixed payments) less any lease incentives;
- variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease;
- The amount of debt expected to be paid by the lessee under residual value guarantees,
- The enforcement price of the payment options, where the lessee will reasonably implement the payment options; and
- penalty payment for the cancellation of the rental if there is a right to cancel the rental during the rental period.

The lease liability is presented as a separate item in the consolidated statements of financial position.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Finance leases (Continued)

The Group - as the leasee (Continued)

The Group remeasures the lease liability (and makes corresponding adjustments to the related right-of-use asset) in the following circumstances:

- When the lease liability is remeasured by discounting the revised lease payments using the revised discount rate when a change occurs in the assessment of the lease term or exercise of a purchase option.
- When the lease payments change due to changes in the index, rate, or expected payment change in the promised residual value, the restated lease payments are discounted using the initial discount rate and the lease liability is remeasured (the revised discount rate is used if the change in lease payments is due to a change in the variable interest rate).
- When a lease is changed and the lease modification is not accounted for as a separate lease, the revised lease payments are discounted using the revised discount rate and the lease liability is restated.

The Group has not made such changes during the periods presented in the consolidated financial statements.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the lease commencement date, and other direct initial costs. These assets are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with TAS 36 when the Group incurs costs to disassemble and dispose of a lease asset, restore the area on which the asset is located, or restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the main asset. When ownership of the main asset is transferred in a lease or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset, the associated right-of-use asset is depreciated over the useful life of the main asset. Depreciation begins on the date the lease actually begins.

Group - as a lessor

The Group does not hold any investment properties as a lessor.

Leases in which the Group acts as a lessor are classified as either finance leases or operating leases. A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the lessee. All other leases are classified as operating leases.

When the Group acts as an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as either a finance lease or an operating lease with respect to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the lease term. Direct initial costs incurred in negotiating and arranging an operating lease are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

Finance lease receivables from lessees are recognized as receivables at an amount equal to the Group’s net investment in the leases.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not amortized. These assets are subject to an annual impairment test. For assets subject to amortization, an impairment test is performed if events or circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs to sell or the value in use. To assess impairment, assets are grouped at the lowest level where there are separately identifiable cash flows (cash-generating units). Non-financial assets, excluding goodwill, are reviewed for possible reversal of impairment at each reporting date.

Borrowing cost

When assets that require a significant amount of time to be made ready for use or sale are involved, borrowing costs directly attributable to their acquisition, construction, or production are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained from the temporarily invested portion of the loan related to the investment is deducted from the capitalizable borrowing costs.

All other borrowing costs are recorded in the profit or loss for the periods in which they are incurred.

Revenue

The Group recognizes revenue in its consolidated financial statements when it satisfies a performance obligation by transferring a promised good or service to a customer, or as it satisfies the obligation. Control of the goods or services is transferred when (or as) the customer obtains control.

When assessing the transfer of control of a good or service to the customer, the Group considers:

- a) The Group’s right to collect payment for the good or service,
- b) The customer’s legal ownership of the good or service,
- c) The transfer of possession of the good or service,
- d) The customer’s assumption of significant risks and rewards related to the good or service,
- e) The customer’s acceptance of the good or service.

At the inception of the contract, if the Group expects that the period between the transfer of the promised good or service to the customer and the customer’s payment for that good or service will be one year or less, the Group does not adjust the promised consideration for the effect of a significant financing component. However, if there is a significant financing component embedded in the transaction price, the revenue amount is determined by discounting the future consideration using the interest rate that is reflective of the financing component. The difference is recognized as other income from main operations in the relevant periods on an accrual basis.

Employee benefits

In accordance with the current social legislation, the Group is obliged to pay accumulated compensation for each employee who completes one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

In accordance with Turkish laws and union agreements, lump-sum payments are made to employees who retire or leave the Group unintentionally. Such payments are considered to be a part of the defined retirement benefit plan in accordance with "Turkish Accounting Standard (revised) Employee Benefits ("TAS 19") No. 19.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Employee benefits(Continued)

In the accompanying consolidated financial statements, the Group has calculated the provision for severance pay in accordance with the recognition and measurement principles set out in TAS 19 “Employee Benefits.” Since the characteristics of the severance pay obligations are equivalent to the ‘Defined Benefit Plans for Post-Employment’ as defined in this standard, these obligations have been calculated using certain assumptions as explained below and have been recognized in the financial statements. The key assumptions used as of 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	%28,89	%27,15
Inflation rate	%23,50	%23,03

TAS 19 ("Employee Benefits") has been revised to be valid for accounting periods beginning after January 1, 2013. In accordance with the revised standard, actuarial gains/losses on employee benefits are recognized in the statement of comprehensive income.

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Contingent Assets and Liabilities

Liabilities and assets that can be confirmed by the realization of one or more uncertain future events, arising from past events and the existence of which is not fully under the Group's control, are considered contingent liabilities and assets and are not included in the financial statements.

Taxes calculated on corporate income and deferred tax

As Turkish Tax Legislation does not allow the parent Company and its subsidiaries to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the consolidated financial statements.

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

Current tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss in that it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the reporting period.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (Continued)

Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

Carrying amount of deferred tax asset is reviewed at each reporting period. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit sufficient to allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and which have been enacted or substantially enacted as of the reporting date.

During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfil its liabilities as of the reporting period are taken into account.

Deferred tax assets and liabilities, when there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to settle its current tax assets and liabilities on a net basis, is deducted.

Current and Deferred Income Tax

Current tax and deferred tax for the period are expense or income in the statement of profit or loss, excluding those associated with items receivable or payable directly in equity (in which case deferred tax is also recognized directly in equity) or arising from the initial recognition of business combinations, accounted for. In business combinations, tax effects are taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries exceeding the acquisition cost.

Dividends

Dividend liabilities are recognized as a liability in the consolidated financial statements in the period when the profit distribution is declared.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Statement of cash flows

In the consolidated statement of cash flows, cash flows for the period are classified and reported on the basis of operating, investing and financing activities.

Cash flows from operating activities represent cash flows from the Group's ongoing construction activities, principal activities, financial institution income to name a few.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (fixed and financial investments).

Cash flows from financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments that have maturities of three months or less from the date of purchase, are immediately convertible into cash, and do not carry the risk of significant changes in value.

Differences arising from the translation of the statement of cash flows from the functional currency to the presentation currency are shown as translation differences in the statement of cash flows.

Effects of exchange rate changes

The Group uses the exchange rates prevailing at the transaction date when translating foreign currency transactions into Turkish Lira. Monetary assets and liabilities denominated in foreign currencies in the statement of financial position are translated into Turkish Lira using the exchange rates at the reporting date. Foreign exchange gains or losses arising from the translation of foreign currency transactions into Turkish Lira or from monetary items denominated in foreign currencies are recognized in the profit or loss for the relevant period. Non-monetary foreign currency-denominated assets and liabilities measured at fair value are expressed in Turkish Lira using the exchange rate on the date the fair value is determined.

The exchange rate information as of the reporting periods is as follows:

	31 December 2025	31 December 2024
USD	42,8457	35,2803
EUR	50,2859	36,7362
GBP	57,5123	44,2073

Offsetting

Any item that is material in terms of content and amount, even if similar in nature, is presented separately in the financial statements. Insignificant amounts are grouped and presented based on their principles and functions. Financial assets and liabilities are presented on a net basis when there is a legal right, an intention to settle the assets and liabilities on a net basis, or when the acquisition of the assets and settlement of the liabilities occur simultaneously.

Earnings / (loss) per share

Earnings per share for the period is calculated by dividing the portion of profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares held by shareholders during the period is determined by multiplying the number of shares outstanding at the beginning of the period and the number of shares issued during the period by a time-weighted factor and summing the results.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. Summary of Significant Accounting Policies (Continued)

Earnings / (loss) per share (Continued)

In Türkiye, companies may increase their capital by distributing bonus shares to shareholders from retained earnings of previous years. These bonus share distributions are treated as issued shares in the calculation of earnings per share. Accordingly, the weighted average number of shares used in these calculations has been determined taking into account the retrospective effects of such share distributions.

Financial income and expenses

Financial income primarily consists of interest income and foreign exchange gains. Financial income is recognized in the profit and loss statement on an accrual basis.

Financing expenses mainly consist of foreign exchange losses and interest expenses related to loans. Assets that require a long period to be brought to the condition of being ready for intended use or sale are defined as specialized assets. Borrowing costs directly attributable to the acquisition, construction, or production of a specialized asset that is activated on or after January 1, 2009, are capitalized as part of that asset. Other borrowing costs are recorded in the comprehensive income statement.

Events after the reporting date

Events after the reporting date; It covers all events between the reporting date and the date the statement of financial position is authorized for issue, even if they occur after any announcement or other selected financial information that affects profit or loss has been made public.

In the event of events requiring adjustments after the reporting date, the Group adjusts the amounts recognized in the financial statements to reflect the new situation. Matters arising after the reporting date that do not require adjustment are disclosed in the notes based on their materiality.

Government grants and incentives

Government grants are recognized at their fair value when there is reasonable assurance that the Company will meet the conditions required to obtain the grant and that the grant will be received.

Government grants are systematically recognized in profit or loss over the periods in which the Company recognizes the related costs that the grants are intended to compensate. As a financial instrument, government grants should not be recognized in profit or loss to net the expenses they finance; instead, they should be recognized as deferred income in the statement of financial position and systematically recognized in profit or loss over the useful lives of the related assets.

Government grants provided to compensate for previously incurred expenses or losses, or to provide immediate financial support to the business without any future cost, are recognized in profit or loss when they become receivable. The benefit of loans received from the government at a below-market interest rate is considered a government grant. The benefit created by the low-interest rate is measured as the difference between the initial carrying amount of the loan and the proceeds obtained.

2.7. Use of Estimates

In the preparation of the consolidated financial statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, determine the probable liabilities and commitments as of the date of the consolidated financial statements, and the income and expense amounts as of the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly; necessary corrections are made and reflected in the comprehensive income statement in the period they are realized. However, actual results may differ from these results.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.7. Use of Estimates (Continued)

The assumptions made by considering the interpretations that may have a material effect on the amounts reflected in the consolidated financial statements and the main sources of the existing or future estimates at the date of the financial statements are as follows:

- a) The provision for severance pay is determined using actuarial assumptions, including discount rates, future salary increases, and employee turnover rates.
- b) Provisions for legal claims are determined each period by management based on the opinions of the Group’s legal advisors regarding the probable outcomes of ongoing lawsuits that could result in cash outflows as of the financial statement preparation date.
- c) The Group’s management has made significant assumptions regarding the useful economic lives of development expenditures based on the experience of its technical team.
- d) The Group reviews its assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indications exist and the carrying amount of the assets exceeds their estimated recoverable amount, assets and cash-generating units are reported at their estimated recoverable amount. The recoverable amount of an asset is the higher of its net selling price and its value in use.
- e) Impairment losses on trade and other receivables are based on management’s assessment of the collectability of trade receivables, considering the amount of receivables, past experience, and general economic conditions.
- f) The Group recognizes deferred tax assets and liabilities for temporary differences arising from differences between statutory financial statements prepared for tax purposes and financial statements prepared in accordance with TFRS. These differences generally arise from certain income and expense items being recognized in different periods for tax reporting purposes versus TFRS reporting.

2.8. Segment reporting

The Group operates in a single area related to manufacturing and trading. Accordingly, the Group does not have segment reporting..

3. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash on hand	244.335	484.984
Cash at banks		
- demand deposit	219.866.408	47.339.678
- blocked deposit	--	13.832.956
Credit card receivables	9.545.470	5.034.311
Cash and cash equivalents	229.656.213	66.691.929

As of the reporting periods, the foreign currency details are as follows;

	31 December 2025	31 December 2024
Cash on hand		
- Turkish Lira	244.335	484.984
	244.335	484.984

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3. CASH AND CASH EQUIVALENTS (CONTINUED)

As of the reporting periods, the foreign currency details are as follows;

	31 December 2025	31 December 2024
Cash at banks		
- Turkish Lira	38.768.758	31.871.032
- Foreign currency	181.097.650	29.301.602
Credit card receivables	9.545.470	5.034.311
	229.411.878	66.206.945

4. FINANCIAL LIABILITIES

As of the reporting periods the details of the Group's financial liabilities are as follows;

	31 December 2025	31 December 2024
Current financial liabilities		
Current bank borrowings	1.011.264.446	1.115.408.529
Current lease liabilities	19.135.717	--
Interest accruals	23.994.302	14.216.019
Current portion of non-current borrowings and interest rates	1.365.622.838	863.421.671
Credit card payables	8.416.065	80.894
Current financial liabilities	2.428.433.368	1.993.127.113
Non-current financial liabilities		
Non-current bank borrowings	653.909.048	436.976.514
Lease liabilities	59.581.920	--
Non-current financial liabilities	713.490.968	436.976.514
Total	3.141.924.336	2.430.103.627

The repayment schedule of the financial liabilities are as follows;

	31 December 2025	31 December 2024
Within 1 year	2.428.433.368	1.993.127.113
1 - 2 years	302.736.810	365.407.345
2 - 3 years	97.733.452	39.993.122
3 - 4 years	79.691.836	15.185.050
4 - 5 years	54.709.399	8.496.744
Over 5 years	178.619.471	7.894.253
Total	3.141.924.336	2.430.103.627

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4. FINANCIAL LIABILITIES (CONTINUED)

	Foreign currency		TRY Equivalent	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
<u>Current bank borrowings</u>				
-TRY	--	--	1.971.597.886	1.472.814.922
-USD	7.200.000	5.784.468	308.489.040	267.129.593
-EUR	1.925.000	--	96.800.358	240.431.032
Credit card payables	--	--	8.416.065	80.894
<u>Lease liabilities</u>				
-TRY	--	--	780.454	--
-USD	256.861	--	11.005.383	--
-EUR	146.162	--	7.349.880	--
Interest accrual			23.994.302	12.670.672
			2.428.433.368	1.993.127.113
<u>Non-current bank borrowings</u>				
-TRY	--	--	369.793.713	198.994.220
-EUR	5.650.000	5.000.000	284.115.335	237.982.294
<u>Lease liabilities</u>				
-TRY	--	--	2.669.552	--
-USD	444.710	--	33.693.882	--
-EUR	103.391	--	23.218.486	--
			713.490.968	436.976.514

As of 31 December 2025, the Group’s Turkish Lira-denominated loans have an interest rate range of 23,75% to 58,35%, while foreign currency-denominated loans have an average interest rate of 6,00% (As of 31 December 2024: the interest rate range for Turkish Lira loans was 40,60% to 58,08%, and the interest rate range for foreign currency loans was 7,99%).

The guarantees and commitments provided by the Group related to the loans utilized are disclosed in Note 13.

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5. TRADE RECEIVABLES AND PAYABLES

(a) Current trade receivables

	31 December 2025	31 December 2024
<u>Trade receivables</u>		
- Currents accounts	929.984.985	1.363.625.966
- Post-dated check and notes receivables	117.529.149	123.013.679
- Doubtful receivables	1.791.442	1.817.492
Trade receivables from related parties (Note 24)	28.971.924	41.105.951
Current trade receivables (gross)	1.078.277.500	1.529.563.088
<i>Less: Provision for doubtful receivables</i>	<i>(1.791.442)</i>	<i>(1.817.492)</i>
<i>Less: Provision for expected credit losses</i>	<i>(5.567.447)</i>	<i>(10.436.931)</i>
<i>Less: Deferred finance income</i>	<i>(16.323.376)</i>	<i>(28.787.464)</i>
Current trade receivables (net)	1.054.595.235	1.488.521.201

Trade receivables consist of amounts due from customers arising from the sale of goods in the normal course of business. The average collection period for trade receivables is 30 to 60 days, and they are classified as short-term trade receivables. The Group holds trade receivables with the objective of collecting the contractual cash flows.

The movements of the allowance for doubtful trade receivables by reporting periods are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Opening balance, 01 January	1.817.492	3.148.375
<i>Provisions during the period (Note 19)</i>	<i>447.103</i>	<i>98.198</i>
<i>Reversal of provisions (Note 19)</i>	<i>--</i>	<i>(71.683)</i>
<i>Monetary loss/(gain)</i>	<i>(473.153)</i>	<i>(1.357.398)</i>
	1.791.442	1.817.492

(b) Current trade payables

	31 December 2025	31 December 2024
<u>Trade payables</u>		
- Current accounts	945.075.116	196.672.176
- Notes payables	6.260.000	14.479.713
Current trade payables (gross)	951.335.116	211.151.889
<i>Less: Deferred finance expense</i>	<i>(2.313.225)</i>	<i>(1.460.228)</i>
Current trade payables (net)	949.021.891	209.691.661

The payables and maturities of commercial debts vary according to the contracts concluded with suppliers and the average maturity is 45 days.

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5. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

	31 December 2025	31 December 2024
Foreign trade payables (*)	601.436.723	--
	601.436.723	--

(*) The Group’s non-current trade payables consist of the amounts payable for pasta production line machinery purchased from Bühler, a Company operating in Switzerland. The related installment payments for the machinery will commence in 2027.

Following the completion of the delivery and installation of the machinery, and upon the commissioning of the machinery, payments will be made by Zürcher Kantonal Bank (ZKB) to Bühler.

As of the commencement of payments by Zürcher Kantonal Bank (ZKB) to Bühler, the related amount will assume the nature of a financial liability and will be presented as a financial liability, rather than a trade payable, in the financial statements.

6. OTHER RECEIVABLES AND PAYABLES

(a) Other current receivables

	31 December 2025	31 December 2024
Current receivables from related parties (Note 24)	26.586.529	94.247.318
Deposits and guarantees given	4.214	5.516
Total	26.590.743	94.252.834

(b) Other non-current receivables

	31 December 2025	31 December 2024
Deposits and guarantees given	296.723	388.398
Total	296.723	388.398

7. INVENTORIES

As of the reporting periods the details of the the inventories are as follows;

	31 December 2025	31 December 2024
Raw materials	2.549.154.001	1.821.537.355
Finished goods	77.711.819	50.894.713
Semi-finished goods	8.849.614	--
Trade goods	--	4.196.989
Provision for impairment of inventories	(14.125.453)	(21.282.723)
Total	2.621.589.981	1.855.346.334

The Group has USD 22.000.000 insurance coverage against fire, earthquake, flood, and other risks on its inventories.

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7. INVENTORIES (CONTINUED)

As of the reporting periods, the movements of the Group’s provision for impairment of inventories are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Opening balance, 01 January	(21.282.723)	(16.773.783)
<i>Provisions during the period (Note 17)</i>	<i>5.083.454</i>	<i>(5.874.223)</i>
<i>Monetary loss/(gain)</i>	<i>2.073.816</i>	<i>1.365.283</i>
	(14.125.453)	(21.282.723)

8. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses in current assets

	31 December 2025	31 December 2024
Advances given for inventories (*)	988.464.526	1.241.071.153
Prepaid expenses (**)	9.995.185	10.345.395
Total	998.459.711	1.251.416.548

(*) Advances given for inventories mainly consist of prepayments made to Deno Tarım Gıda İnş. Mim. Pet. San. ve Tic. Ltd. Şti, Erser Grup Tarım Ürünleri San. ve Tic. A.Ş, and the General Directorate of Soil Products Office for the procurement of raw materials in the Mardin region of the Group.

Deno Tarım Gıda İnş. Mim. Pet. San. ve Tic. Ltd. Şti., registered at Mardin/Kızıltepe, is a related party of the Group that procures raw materials through a contract dated 10 March 2021.

(**) Prepaid expenses in current assets are comprised of software usage and insurance expenses.

b) Prepaid expenses in non-current assets

	31 December 2025	31 December 2024
Advances given for tangible fixed assets(**)	64.801.504	285.137.575
Prepaid expenses for future years (*)	336.583	51.380
Total	65.138.087	285.188.955

(*) Prepaid expenses for future periods consist of insurance expenses.

(**) Advances given for property, plant and equipment arise from the Pasta Factory under construction.

c) Current deferred income

	31 December 2025	31 December 2024
Current advances received (*)	180.538.939	265.211.289
Total	180.538.939	265.211.289

(*) The current advances received by the Group consist of advances from customers as part of its operations.

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9. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2025 and 31 December 2024 the movements details of the tangible fixed assets are as follows;

	31.12.2023	Additions	Disposals	Transfer	31.12.2024	Additions	Disposals	Transfer	31.12.2025
Cost									
Buildings	876.525.803	5.842.033	--	--	882.367.836	867.698	--	276.822.189	1.160.057.723
Machinery and equipment	334.153.805	40.289.883	--	347.920.624	722.364.312	93.041.851	--	560.009.552	1.375.415.715
Motor vehicles	272.128.667	58.323.246	(10.721.250)	--	319.730.663	23.775.243	(2.425.029)	--	341.080.877
Fixtures and fittings	46.475.478	4.657.358	--	--	51.132.836	2.156.103	(1.572.887)	--	51.716.052
Construction in progress(*)	281.861.581	344.301.642	--	(347.920.624)	278.242.599	2.135.899.480	--	(836.831.741)	1.577.310.337
	1.811.145.334	453.414.162	(10.721.250)	--	2.253.838.246	2.255.740.374	(3.997.916)	--	4.505.580.704
Accumulated depreciation (-)									
Buildings	42.027.659	5.933.732	--	--	47.961.391	6.384.084	--	--	54.345.475
Machinery and equipment	189.646.025	45.081.905	--	--	234.727.930	63.673.732	--	--	298.401.662
Motor vehicles	68.348.072	61.665.360	(6.548.450)	--	123.464.982	67.510.424	(2.188.841)	--	188.786.565
Fixtures and fittings	30.094.382	4.832.151	--	--	34.926.533	5.413.707	(288.263)	--	40.051.977
	330.116.138	117.513.148	(6.548.450)	--	441.080.836	142.981.947	(2.477.104)	--	581.585.679
Net book value	1.481.029.196				1.812.757.410				3.923.995.025

As of 31 December 2025, the total insurance cost on the Group's property, plant and equipment are TRY 251.961.395 and USD 22.882.000.

The Group's obligations or guarantees related to tangible fixed assets are disclosed in Note 13.

(*) The ongoing investments consist of machinery, equipment, and construction expenditures for the pasta production facility currently under development in Mardin. The solar power plant in Taşkent/Konya became operational in February 2025. With the commissioning of the facilities in Gülnar/Mersin and Taşkent/Konya, the Group will achieve energy production equivalent to 115% of its total electricity consumption, aiming to eliminate external dependency in energy.

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9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As of the reporting periods the distribution details of depreciation expenses are as follows;

	31 December 2025	31 December 2024
Property, plant and equipment	142.981.947	117.513.148
Intangible assets (Note 10)	421.013	182.414
Total	143.402.960	117.695.562

As of the reporting periods the distribution details of depreciation and amortization of property, plant and equipment and intangible assets and right-of-use assets is as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Cost of services sold (Note 17)	69.301.420	81.304.065
Marketing, sales and distribution (Note 18)	43.621.862	27.775.351
General administrative expenses (Note 18)	30.479.678	8.616.146
Total	143.402.960	117.695.562

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10. INTANGIBLE ASSETS

The movements of intangible assets for the reporting periods are as follows:

	31.12.2023	Additions	31.12.2024	Additions	31.12.2025
Cost					
Rights	207.625	--	207.625	--	207.625
Other intangible assets (*)	1.201.610	3.002.220	4.203.830	2.026.591	6.230.421
	1.409.235	3.002.220	4.411.455	2.026.591	6.438.046
Accumulated Amortization (-)					
Rights	112.079	14.535	126.614	14.534	141.148
Other intangible assets	460.234	167.879	628.113	406.479	1.034.592
	572.313	182.414	754.727	421.013	1.175.740
Net Book Value	836.922		3.656.728		5.262.306

(*) Other intangible assets of the Group consist of computer software programs.

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11. INVESTMENT PROPERTIES

	1 January- 31 December 2025	1 January 31 December 2024
Investment properties	99.254.448	99.254.448
Total	99.254.448	99.254.448

The Group has presented its investment properties, included among the tangible assets of the parent Company and its subsidiaries in the consolidated financial statements, at their fair values. The valuation reports were prepared by SPK-Licensed Varlık Taşınmaz Değerleme ve Danışmanlık A.Ş. The increases arising from the valuation of these investment properties over the years have been presented under the “Income from Investing Activities” line in the statement of profit or loss. As of December 31, 2025, the related assets have been indexed to their fair values.

As of the reporting periods the details of the Group's investment properties are as follows:

Company name	Position	
Akhan Un	Adana/Sarıçam/İncirlik, 0 Ada 2949 Parcel	82.113.590
Akhan Un	Mardin/Kızıltepe/Yukarıazıklı, 131 Ada 2 Parcel	17.140.858
Total		99.254.448

The investment properties of the Group consist of: two-storey masonry buildings and one warehouse situated on parcel number 2949 in Incirlik neighborhood of Sarıçam district, Adana province, with a total land area of 9.042 m². And Land parcels totaling 5.514 square meters located at parcel number 2 in Yukarıazıklı neighborhood of Kızıltepe district, Mardin province.

12. GOVERNMENT GRANTS

In general terms, incentive refers to various supports or premiums provided by the government to the investor for investment purposes.

As of 31 December 2025, the Group holds investment incentive certificates numbered 553582 dated 15 May 2023, and numbered 567861, 567862, 568028, and 568029 dated 15 May 2024, due to electricity generation from its Solar Power Plants (SPP). The total investment amount for the investment incentive certificate numbered 553582 is TRY 112.257.996, for the certificate numbered 567861 is TRY 36.816.100, for the certificate numbered 567862 is TRY 36.416.756, for the certificate numbered 568028 is TRY 38.910.702, and for the certificate numbered 568029 is TRY 25.467.504. The investment incentive certificate numbered 553582 is valid until 15 May 2026, and the investment incentive certificates numbered 567861, 567862, 568028, and 568029 are valid until 15 May 2027.

Additionally, there is an investment incentive certificate numbered 571219 for the pasta, vermicelli, couscous, and other flour-based product factory, which has started construction in the area of 131 Ada, 2 Parsel, Yukarı Azıklı Mah., Mardin OSB, Kızıltepe, Mardin. The total investment amount for the investment incentive certificate numbered 571219 is TRY 1.392.762.482. The investment certificate is valid until 2 September 2027.

Within the scope of the mentioned investment incentive certificates;

- VAT exemption
- Interest support.
- Income tax withholding support
- Customs duty exemption
- Employer's share of social security premiums
- Tax reduction rate of 70-90%, with an Investment Contribution Rate (YKO) of 30%.

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Collaterals, pledges and mortgages “CPM” given by the Group are as follows:

	31 December 2025	31 December 2024
A. CPM’s given in the name of own legal personality	30.523.490.708	24.176.182.190
B. CPM’s given on behalf of the fully consolidated companies	5.720.262.500	8.204.769.017
C. CPM’s given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPM’s given	--	--
i. Total amount of CPM’s given on behalf of the majority shareholder	--	--
ii. Total amount of CPM’s given on behalf of the Group companies which are not in scope of B and C	--	--
iii. Total amount of CPM’s given on behalf of third parties which are not in scope of C	--	--
Total	36.243.753.208	32.380.951.207

The details of the GPM provided by the Group on behalf of its own legal entity and the fully consolidated affiliate are as follows;

	TRY	USD	EUR	31.12.2025 TRY Equivalent
Letters of guarantee	195.984.768	--	8.743.232	635.646.058
Mortgages	9.830.080.000	111.500.000	--	14.607.375.550
Suretyship (*)	10.785.500.000	168.000.000	60.000.000	21.000.731.600
	20.811.564.768	279.500.000	68.743.232	36.243.753.208

(*) The amounts of sureship provided by the Group are included in the general credit agreements.

	TRY	USD	EUR	31.12.2024 TRY Equivalent
Letters of guarantee	116.774.656	--	5.374.000	411.268.596
Mortgages	6.657.300.000	21.500.000	--	9.707.018.183
Suretyship (*)	8.418.000.000	181.000.000	60.000.000	22.262.664.428
	15.192.074.656	202.500.000	65.374.000	32.380.951.207

(*) The amounts of sureship provided by the Group are included in the general credit agreements.

As of the reporting periods the details of the CPM's taken in the name of own legal personality are as follows:

	TRY	31.12.2025 Total (TRY)
Letters of guarantee	13.800.000	13.800.000
	13.800.000	13.800.000

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

	TRY	31.12.2024 Total Indexed Value in TRY
Letters of guarantee	13.800.000	18.063.644
	13.800.000	18.063.644

The Group's current provisions are as follows;

	31 December 2025	31 December 2024
Provision for litigations	9.544.647	2.334.793
	9.544.647	2.334.793

As of the reporting periods the details of the provisions for litigations are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Opening balance, 01 January	2.334.793	4.051.847
<i>Provisions during the period (Note 19)</i>	<i>8.611.539</i>	<i>--</i>
<i>Provisions no longer required (-) (Note 19)</i>	<i>--</i>	<i>(333.246)</i>
<i>Monetary loss/(gain)</i>	<i>(1.401.685)</i>	<i>(1.383.808)</i>
	9.544.647	2.334.793

14. EMPLOYEE BENEFITS

a) Current liabilities for employee benefits

	31 December 2025	31 December 2024
Social security premiums payable	5.081.316	3.692.736
Due to personnel	10.694.862	711.759
	15.776.178	4.404.495

b) Current provisions for employee benefits

	31 December 2025	31 December 2024
Current provisions	10.941.750	9.689.437
Non-current provisions	22.296.814	20.045.346
Total	33.238.564	29.734.783

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14. EMPLOYEE BENEFITS (CONTINUED)

b.1) Current provisions

	31 December 2025	31 December 2024
Provision for unused vacations	10.941.750	9.689.437
	10.941.750	9.689.437

As of the reporting periods the details of the provisions for unused vacations are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Opening balance, 01 January	9.689.437	8.756.917
<i>Provisions during the period (Note 18)</i>	<i>3.927.265</i>	<i>7.317.741</i>
<i>Monetary loss/(gain)</i>	<i>(2.674.952)</i>	<i>(6.385.221)</i>
	10.941.750	9.689.437

b.2) Non-Current provisions

	31 December 2025	31 December 2024
Provision for employee termination benefits	22.296.814	20.045.346
	22.296.814	20.045.346

Provision for employee termination benefits

Under the Turkish Labor Law, the Group is required to pay severance indemnities to each employee who has completed at least one year of service and who retires after completing 25 years of employment, whose employment is terminated, who is called up for military service, or who passes away.

As of 31 December 2025, the maximum severance pay ceiling applicable for each year of service is TRY 64.948,77 per month (31 December 2024: TRY 46.655,43).

The severance pay liability is not subject to any legal funding requirement.

The severance pay liability is calculated by estimating the present value of the probable future obligation of the Group that will arise from employees' retirement. TAS 19 (Employee Benefits) requires that the Group's obligations be measured using actuarial valuation methods under the defined benefit plans framework.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. Accordingly, as of 31 December 2025 and 31 December 2024, the liabilities in the accompanying financial statements are calculated by estimating the present value of the probable future obligation arising from employees' retirement. The estimated rate of severance indemnities that will not be paid due to voluntary resignations and thus remain with the Company has also been taken into consideration. The severance pay ceiling is revised semi-annually, and the ceiling amount of TRY 64.948,77 has been taken into account in the calculation of the Company's severance provision as from 1 January 2026.

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14. EMPLOYEE BENEFITS (CONTINUED)

b) Current provisions for employee benefits (Continued)

Provision for employee termination benefits(Continued)

The actuarial assumptions used in the calculation of the present value of the obligations are outlined below:

	31 December 2025	31 December 2024
Discount rate	%28,89	%27,15
Inflation rate	%23,50	%23,03

As of the reporting periods the details of the provisions for employment termination benefits are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Beginning of the period. 1 January	20.045.346	12.334.283
<i>Actuarial gain / (loss)</i>	<i>(728.846)</i>	<i>7.214.155</i>
<i>Service cost (Note 18)</i>	<i>7.856.818</i>	<i>6.285.995</i>
<i>Interest expense (Note 19)</i>	<i>4.613.422</i>	<i>2.456.417</i>
<i>Paid compensations</i>	<i>(3.913.336)</i>	<i>(3.820.379)</i>
<i>Monetary loss/(gain)</i>	<i>(5.576.590)</i>	<i>(4.425.125)</i>
Total	22.296.814	20.045.346

15. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2025	31 December 2024
VAT carried out (*)	55.730.227	56.423.860
VAT receivables (**)	43.656.797	56.534.966
Business advances given	471.826	32.725
Other	60.650	79.388
	99.919.500	113.070.939

(*) The refund of input VAT incurred on goods and services purchased and sold is regulated by the "VAT General Implementation Communiqué" and certain legislative provisions. Refundable amounts are determined through detailed calculations and verification reports. After verification by the tax authorities, the refundable amounts are paid to the company.

(**) The Group's VAT receivables arise from exports and sales of bran with 0% VAT. These VAT receivables are planned to be offset the 2026 corporate tax assessment. The remaining balance will be offset against future tax and social security payments as it cannot be collected in cash.

b) Other non-current assets

The Group has no other non-current assets.

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15. OTHER ASSETS AND LIABILITIES (CONTINUED)

c) Other current liabilities

	31 December 2025	31 December 2024
Taxes and funds payable	14.094.944	2.167.774
Other	169.834	--
	14.264.778	2.167.774

d) Other non-current liabilities

The Group has no other non-current liabilities.

16. EQUITY

a) Capital

As of the reporting period, the Group’s capital structure is as follows:

	31 December 2025		31 December 2024	
	TRY	Share Percentage (%)	TRY	Share Percentage (%)
Orhan İlhan	38.262.500	17,50	38.262.500	17,50
Doğan İlhan	36.077.500	16,50	36.077.500	16,50
Yunus Emre İlhan	36.077.500	16,50	36.077.500	16,50
Nihad İlhan	36.077.500	16,50	36.077.500	16,50
Emrullah İlhan	36.077.500	16,50	36.077.500	16,50
Muhammed Musa İlhan	36.077.500	16,50	36.077.500	16,50
	218.650.000	100	218.650.000	100
Capital adjustment differences	1.254.401.455		1.254.401.455	
Total	1.473.051.455		1.473.051.455	

As of 31 December 2025, the Company's capital is divided into 218.650.000 shares, each with a nominal value of 1 Turkish Lira ("TRY") (31 December 2024: The Company's capital is divided into 218.650.000 shares, each with a nominal value of 1 Turkish Lira ("TRY")).

The inflation adjustment differences in capital represent the difference between the inflation-adjusted total amounts of cash and cash-equivalent contributions made to the paid-in capital and the amounts before inflation adjustment.

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16. EQUITY (CONTINUED)

b) Other equity items

As of the reporting periods the details of the restricted reserves are as follows;

	31 December 2025	31 December 2024
Special funds	1.212.332.981	1.212.332.981
Legal reserves	68.743.465	68.743.465
Total	1.281.076.446	1.281.076.446

According to Article 519, first paragraph of the new Turkish Commercial Code No. 6102, legal reserves are allocated as follows: 5% of the profit is set aside as the first-tier legal reserve until it reaches 20% of the paid-in/issued capital. After deducting the amount allocated as the first-tier legal reserve from the profit, the first dividend for shareholders is determined. Once the first-tier legal reserve and the first dividend are allocated, the remaining balance may be set aside as extraordinary reserves or distributed at the discretion of the General Assembly, taking into account the Company’s dividend policy. The second-tier legal reserve is allocated in accordance with Article 519, paragraph 2, subparagraph 3 of the new Turkish Commercial Code; it is set aside as one-tenth of the remaining amount after deducting the dividend corresponding to 5% of the issued/paid-in capital from the portion of the profit decided to be distributed. If it is decided to distribute bonus shares through the capitalization of profit, no second-tier legal reserve is allocated.

As of the reporting periods the details of the other comprehensive income not to be reclassified to profit or loss are as follows;

	31 December 2025	31 December 2024
Fixed assets renewal fund	368.056.703	368.056.703
Actuarial gain / (loss) funds	(19.745.600)	(20.656.657)
Total	348.311.103	347.400.046

As of the reporting periods the details of the retained earnings are as follows;

	31 December 2025	31 December 2024
Retained earnings	479.714.399	412.870.677
Total	479.714.399	412.870.677

c) Non-Controlling Interests

All non-controlling shares are eliminated from the equity accounts, including paid-in capital, of the consolidated subsidiaries and presented as a non-controlling interest in shareholders’ equity in the consolidated balance sheet.

Shares attributable to third parties in the net profit or loss for the periods of the consolidated subsidiaries, which are not fully owned, are separately accounted for as minority interests, in the distribution of period profit / (loss) section of the consolidated statement of income.

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17. REVENUE AND COST OF SALES

	1 January- 31 December 2025	1 January- 31 December 2024
Domestic sales	6.697.426.805	4.475.291.833
Export sales	600.428.348	1.361.288.396
Revenue, (net)	7.297.855.153	5.836.580.229
Cost of goods sold	(3.877.000.596)	(4.158.560.869)
Cost of trade goods sold	(2.531.789.589)	(829.683.369)
Cost of services sold	(34.321.092)	(16.620.140)
Cost of sales (-)	(6.443.111.277)	(5.004.864.378)
Gross profit	854.743.876	831.715.851

As of the reporting periods the details of the cost of sales are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Direct raw materials and supplies expenses	3.758.851.761	3.828.714.973
Direct labour cost	20.773.623	50.752.065
Other production expenses	34.588.913	112.605.356
Depreciation and Depreciation expenses (Note 9)	69.301.420	81.304.065
Total production cost	3.883.515.717	4.073.376.459
Change in stocks of finished goods	(11.598.575)	91.058.633
Provision for inventory impairment expense (Note 7)	5.083.454	(5.874.223)
I. Cost of goods sold	3.877.000.596	4.158.560.869
II. Cost of trade goods	2.531.789.589	829.683.369
III. Cost of services provided	34.321.092	16.620.140
Cost of sales (-)	6.443.111.277	5.004.864.378

18. EXPENSES BY NATURE

As of the reporting period, the breakdown of the Group’s marketing, sales, and distribution expenses by nature is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Depreciation and amortization expenses (Note 9)	43.621.862	27.775.351
Personnel expenses	41.700.780	23.693.506
Fuel expenses	36.966.701	36.803.832
Custom expense	44.412.450	58.291.940
Advertising expenses	8.701.190	--
Rent expenses	4.436.165	--
Insurance expenses	4.174.954	--
Maintenance and repair expenses	3.084.568	6.882.108
Price difference expense	2.428.145	--
Taxes, duties, and fees expenses	2.167.658	--
Other	469.615	4.317.014
	192.164.088	157.763.751

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18. EXPENSES BY NATURE (CONTINUED)

As of the reporting period, the breakdown of the Group’s general administrative expenses by nature is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	66.754.677	32.882.314
Depreciation and amortization expenses (Note 9)	30.479.678	8.616.146
Consultancy and advisory expenses	20.930.632	16.965.916
Office expenses	12.415.238	11.236.849
Fuel expenses	9.021.974	1.925.426
Insurance expenses	8.018.024	2.481.350
Severance pay expense (Note 14)	7.856.818	6.285.995
Rent expenses	5.939.483	3.859.437
Representation and entertainment expenses	5.620.406	3.927.735
Transportation expenses	4.545.317	2.047.346
Provision for leave expenses (Note 14)	3.927.265	7.317.741
Notary expenses	2.881.495	924.022
Maintenance and repair expenses	1.413.639	2.570.666
Taxes, duties, and fees expenses	712.381	3.005.985
Postal and courier expenses	515.570	399.070
Electricity, water, and natural gas expenses	492.420	1.019.519
External benefits and services	396.825	794.159
Communication expenses	196.647	804.086
Stationery expenses	67.781	188.930
Membership fees and dues	--	2.869.712
Other	11.736.518	5.044.550
Total	193.922.788	115.166.954

Fees for services received from independent auditor / independent audit firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on March 30, 2021 and the preparation principles of which are based on the KGK letter dated August 19, 2021 are as follows:

	1 January- 31 December 2025
Independent audit fee for the reporting period	1.350.000
Total	1.350.000

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19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange income	187.140.290	119.985.757
Discount income	31.352.526	2.214.181
Incentive income	8.110.140	4.895.379
Reversal of expected credit loss provision	2.895.601	--
Reversal of provision for doubtful receivables (Note 5)	--	71.683
Reversal of litigation provision (Note 13)	--	333.246
Maturity-price difference income	--	15.176.144
Other	6.140.793	2.369.983
Total	235.639.350	145.046.373

b) Other expense from operating activities

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange expense	98.718.874	64.732.180
Legal provision expense (Note 13)	8.611.539	--
Interest expense on severance pay liability (Note 14)	4.613.422	2.456.417
Discount expenses	583.484	35.435.833
Provision for doubtful receivables expense (Note 5)	447.103	98.198
Expected credit loss provision	260.086	8.432.557
Donations and contributions	--	8.464.332
Other	3.458.362	5.843.493
Total	116.692.870	125.463.010

20. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January- 31 December 2025	1 January- 31 December 2024
Profit on sale of property, plant and equipment	2.933.164	5.606.044
Rental income	2.196.788	1.770.756
Total	5.129.952	7.376.800

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20. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (CONTINUED)

b) Expenses from investing activities

	1 January- 31 December 2025	1 January- 31 December 2024
Loss on sale of securities	(92.199)	(44.377)
Total	(92.199)	(44.377)

21. FINANCIAL INCOME AND EXPENSES

a) Financial income

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange income	30.689.406	26.938.544
Interest income	11.029.175	54.637.005
Total	41.718.581	81.575.549

b) Financial expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Interest expenses	(519.062.331)	(698.492.371)
Foreign exchange expenses	(211.658.140)	(37.213.216)
Letter of guarantee expense	(18.382.406)	(16.200.253)
Bank commission expenses	(69.768.159)	(39.499.950)
Total	(818.871.036)	(791.405.790)

22. TAXES ON INCOME

The Group is subject to corporate income tax applicable in Türkiye. Turkish Tax Law does not permit the parent Company and its subsidiaries to file a consolidated tax return. Accordingly, the tax provisions reflected in the accompanying consolidated financial statements have been calculated on a separate legal entity basis for each of the consolidated companies.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid, and all or part of the profit is dividends;

- To real people
- Natural and legal persons who are exempt or exempt from Income and Corporate Tax,
- Limited taxpayer real and legal persons,

In case of distribution, 15% Income Tax Withholding is calculated. The addition of the period profit to the capital is not considered as profit distribution and no withholding tax is applied.

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22. TAXES ON INCOME (CONTINUED)

Corporate tax is declared by the end of the fourth month following the end of the relevant accounting period and is paid on the same day. Any provisional tax paid during the year relates to that year and is deducted from the corporate tax calculated in the corporate tax return to be submitted in the following year.

Seventy-five percent of gains from the sale of subsidiaries shares held in the assets of a Company for at least two full years, and fifty percent of gains from the sale of real estate held in the assets for the same period, are exempt from corporate tax, provided that they are added to the capital as stipulated by the Corporate Tax Law.

Under Turkish tax legislation, reported tax losses can be deducted from the corporate income of subsequent periods for up to five years. However, tax losses cannot be offset against retained earnings from prior years. There is no practice in Türkiye of obtaining a formal agreement with the tax authority regarding payable taxes. Corporate tax returns must be submitted to the relevant tax office by the end of the fourth month following the end of the fiscal year. Nevertheless, tax authorities have the right to examine accounting records within a five-year period, and if any errors are identified, the amount of tax payable may be adjusted.”

Corporate tax is applied to the tax base determined by adding non-deductible expenses under tax legislation to the commercial profit and by deducting the exemptions specified in the tax law. As of December 31, 2025, the general corporate tax rate is 25%. Companies are required to submit their corporate tax returns to the tax authorities by the end of the fourth month following the end of the relevant accounting period.”

The income tax expenses presented in the statements of comprehensive income for the fiscal periods ended 31 December 2025, 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Current period corporate tax expense	(6.290.373)	(4.388.622)
Deferred tax income/(expense)	(203.457.661)	(270.131.025)
Total	(209.748.034)	(274.519.647)

The provision for taxes presented in the balance sheets for the fiscal periods ended 31 December 2025, and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Provision for Corporate Tax for current period	5.669.049	3.823.390
Prepaid taxes(-)	(6.626.217)	(15.994.070)
Total	(957.168)	(12.170.680)

Group, deferred income tax assets and liabilities. It calculates by taking into account the effects of temporary differences that arise as a result of different evaluations between the legal financial statements of balance sheet items. These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with the communiqué and tax laws.

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22. TAXES ON INCOME (CONTINUED)

The breakdown of cumulative temporary differences and deferred tax assets and liabilities prepared using the applicable tax rates as of the balance sheet dates is as follows:

	31.12.2025		31.12.2024	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
<u>Deferred tax assets</u>				
Assets charged to expense and foreign exchange differences	45.469.906	11.367.479	12.983.216	3.245.806
Adjustment of tangible fixed assets	44.115.529	11.028.882	31.904.080	7.976.019
Provision for doubtful receivables	25.861.838	6.465.460	1.817.492	454.373
Provision for severance pay	22.296.814	5.574.204	20.045.346	5.011.337
Discount on trade receivables	17.275.716	4.318.929	32.007.744	8.001.937
Accrued loan interest	16.186.448	4.046.611	14.215.999	3.553.998
Provision for used vacation	10.957.806	2.739.452	9.689.437	2.422.360
Provision for lawsuits	9.544.647	2.386.162	2.334.793	583.698
Expected credit losses	5.567.447	1.391.862	10.436.931	2.609.233
Inventory impairment	5.212.235	1.303.056	17.927.510	4.481.878
Deferred tax assets		50.622.097		38.340.639
<u>Deferred tax liabilities</u>				
Adjustment of tangible and intangible fixed assets	(1.157.341.736)	(289.335.434)	(1.148.028.288)	(287.007.072)
Adjustments to inventories and inventory advances	(390.607.510)	(97.651.877)	(486.051.075)	(121.512.768)
Valuation of investment property	(34.998.146)	(8.749.537)	(52.909.506)	(13.227.376)
Discount on trade payables	(2.313.225)	(578.306)	(1.460.228)	(365.057)
Other	(38.608.832)	(9.652.209)	(3.256.058)	(814.018)
Deferred tax liabilities		(405.967.363)		(422.926.291)
Deferred tax, net		(355.345.266)		(384.585.652)

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22. TAXES ON INCOME (CONTINUED)

As of the reporting periods the movements of deferred tax assets / (liabilities) are as follows:

	31 December 2025	31 December 2024
Opening Balance	(384.585.652)	(518.800.452)
<i>Deferred tax asset / (liabilities) for the period</i>	<i>(203.457.661)</i>	<i>(270.131.025)</i>
<i>Effect of actuarial loss / gain on tax</i>	<i>182.211</i>	<i>(1.803.538)</i>
<i>Monetary loss/(gain)</i>	<i>232.515.836</i>	<i>406.149.363</i>
Total	(355.345.266)	(384.585.652)

23 EARNINGS PER SHARE

	1 January- 31 December 2025	1 January- 31 December 2024
Profit for the period	156.403.891	66.843.722
Weighted average number of nominal shares	218.650.000	218.650.000
Total	0,7	0,3

24. RELATED PARTY DISCLOSURES

Transactions between the Group and its subsidiaries, which are related parties of the Group, are not disclosed in this note since they are eliminated during consolidation.

The balance details of the Group and other related parties are described below.

a) Trade receivables

	31 December 2025	31 December 2024
Ond Lojistik Tarım Ürn. İnş. Gıda San. Tic. Ltd. Şti.	11.343.418	14.725.001
Deno Tarım Gıda İnş. Mim. Pet. San. ve Tic. Ltd. Şti.	17.628.506	26.380.950
Total	28.971.924	41.105.951

b) Other receivables from related parties

	31 December 2025	31 December 2024
Current		
Blue Petrol Ürünleri İnşaat Tah.San. ve Tic. Ltd. Şti.	26.586.529	56.073.934
Azim Lidaş Tarım Ürünleri Lisanslı Depo. A.Ş.	--	25.806.193
Neka Akaryakıt Otom. Gıda Mob.	--	12.367.191
Total	26.586.529	94.247.318

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24. RELATED PARTY DISCLOSURES (CONTINUED)

c) Purchases

	1 January- 31 December 2025	1 January- 31 December 2024
Deno Tarım Gıda İnş. Mim. Pet. San. ve Tic. Ltd. Şti.(*)	2.406.496.381	1.855.263.531
Neka Akaryakıt Otom. Gıda Mob. Nak. San. Tic. Ltd. Şti.	794.860	38.894.410
Rey Grain Tarım Ürünleri İç ve Dış Tic. Ltd. Şti.	--	19.089.043
Ond Lojistik Tarım Ürn. İnş. Gıda San. Tic. Ltd. Şti.	--	56.595.872
Total	2.407.291.241	1.969.842.856

(*) The Group has advance payments given to Deno Tarım arising from inventory purchases. (Note 8)

d) Sales

	1 January- 31 December 2025	1 January- 31 December 2024
Deno Tarım Gıda İnş. Mim. Pet. San. ve Tic. Ltd. Şti.	116.154.207	26.608.270
Neka Akaryakıt Otom. Gıda Mob. Nak. San. Tic. Ltd. Şti.	43.227.739	102.563
Ond Lojistik Tarım Ürn. İnş. Gıda San. Tic. Ltd. Şti.	--	19.367.655
Total	159.381.946	46.078.488

Salaries, bonuses, and other benefits provided to senior executives

The Group’s senior management team consists of the Chairman of the Board, Vice Chairman, Board members, the General Manager, and Assistant General Managers. As of the reporting periods, the current salaries, bonuses, and other benefits provided to the Group’s senior executives are presented. As of 31 December 2025, the total benefits provided to senior executives of the Group amount to TRY 4.300.764.

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25. MONETARY LOSS/ GAIN

	31 December 2025	31 December 2024
Tangible fixed assets	1.023.650.717	460.996.791
Inventories	920.644.094	606.418.523
Prepaid expenses	364.919.574	770.582.772
Investment properties	46.734.447	12.601.367
Actuarial (loss)/gain	7.608.751	3.577.473
Intangible assets	(225.281)	(327.800)
Retained earnings/(accumulated losses) from prior years	(85.350.010)	(101.315.452)
Non-controlling interests	(86.066.524)	(132.032.335)
Deferred tax liability	(279.984.896)	(326.455.170)
Legal reserves appropriated from profit	(684.000.785)	(387.949.555)
Share capital	(1.228.404.242)	(1.186.847.071)
Total	(474.155)	(280.750.457)
	31 December 2025	31 December 2024
Cost of sales (-)	396.881.460	(997.891.751)
Deferred tax income/(expense)	232.515.836	406.149.363
Non-controlling interests	87.173.462	6.496.701
Financial expenses (-)	80.882.839	98.000.408
Marketing, selling, and distribution expenses (-)	33.533.991	36.736.601
General administrative expenses (-)	21.409.381	19.797.267
Financial income	19.201.923	(10.506.503)
Current tax expense	621.322	565.231
Income from investing activities	(497.596)	(950.093)
Other operating expenses (-)	(27.739.659)	20.874.129
Other operating income	(23.274.946)	(24.486.524)
Revenue	(356.744.171)	1.161.660.477
Total	463.963.842	716.445.306
Net Monetary Position Gains (Losses)	463.489.687	435.694.849

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The main financial instruments of the Group consist of cash, marketable securities and short-term deposits. The main purpose of these financial instruments is to finance the Group's operating activities.

a) Capital Management Policies and Procedures

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value.

The debt-to-equity ratio, calculated by deducting cash and cash equivalents from financial liabilities and dividing the resulting net debt by total equity, as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Total financial liabilities	3.141.924.336	2.430.103.627
Less: Cash and cash equivalents	(229.656.213)	(66.691.929)
Net financial debt	2.912.268.123	2.363.411.698
Total equity	3.824.623.818	3.754.482.330
Less: Fair value reserves	(368.056.703)	(368.056.703)
Net Debt / (Net debt equity)	6.368.835.238	5.749.837.325
Net debt / Total capital employed	46%	41%

b) Financial Risk Factors

The main risks posed by the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group management and board of directors examine and accept the policies regarding the management of the following risks. The Group also considers the market value risk of all its financial instruments

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.1) Credit risk management

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum credit risk exposure as of the reporting date is as follows:

	Receivables				Bank Deposits	Other
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties		
Current Period (31 December 2025)						
- Maximum credit risk exposures as of report date (A+B+C+D) (*)	28.971.924	1.025.623.311	26.883.252	4.214	219.866.408	9.789.805
- Secured part of maximum credit risk exposure via collateral etc. (**)	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	28.971.924	1.031.190.758	26.883.252	4.214	219.866.408	9.789.805
B. Net book value of assets that are overdue but not impaired	--	--	--	--	--	--
C. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (Gross Book Value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured portion of net value with collateral, etc.	--	--	--	--	--	--
- Not Overdue (Gross Book Value)	--	1.791.442	--	--	--	--
- Impairment (-)	--	(1.791.442)	--	--	--	--
- Secured portion of net value with collateral, etc.	--	--	--	--	--	--
D. Expected credit losses	--	(5.567.447)	--	--	--	--

(*) In determining the amount, the elements that provide an increase in credit reliability, such as the guarantees received, were not taken into account.

(**) The guarantees consist of security certificates, letters of guarantee and mortgages received from customers.

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.1) Credit risk management (Continued)

	Receivables				Bank Deposits	Other
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties		
Current Period (31 December 2024)						
- Maximum credit risk exposures as of report date (A+B+C+D) (*)	41.105.951	1.447.415.250	94.635.716	5.516	61.172.633	5.519.295
- Secured part of maximum credit risk exposure via collateral etc. (**)	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	41.105.951	1.457.852.181	94.635.716	5.516	61.172.633	5.519.295
B. Net book value of assets that are overdue but not impaired	--	--	--	--	--	--
C. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (Gross Book Value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured portion of net value with collateral, etc.	--	--	--	--	--	--
- Not Overdue (Gross Book Value)	--	1.817.492	--	--	--	--
- Impairment (-)	--	(1.817.492)	--	--	--	--
- Secured portion of net value with collateral, etc.	--	--	--	--	--	--
D. Expected credit losses	--	(10.436.931)	--	--	--	--

(*) In determining the amount, the elements that provide an increase in credit reliability, such as the guarantees received, were not taken into account.

(**) The guarantees consist of security certificates, letters of guarantee and mortgages received from customers.

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.2) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

Contractual maturities 31 December 2025	Net Book Value	Contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1 – 5 years (III)	More than 5 years (IV)
Bank borrowings	3.141.924.336	3.556.871.143	875.905.772	1.810.163.618	672.651.375	198.150.378
Trade payables						
Trade payables to unrelated parties	1.550.458.614	1.550.458.614	379.608.756	569.413.135	64.370.525	537.066.198
Liabilities for employee benefits	15.776.178	15.776.178	15.776.178	--	--	--
Total liabilities	4.708.159.128	5.123.105.935	1.271.290.706	2.379.576.753	737.021.900	735.216.576

Contractual maturities 31 December 2024	Net Book Value	Contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1 – 5 years (III)	More than 5 years (IV)
Bank borrowings	2.430.103.627	2.660.962.434	409.046.799	1.744.344.027	493.683.438	13.888.170
Trade payables						
Trade payables to unrelated parties	209.691.661	209.691.661	83.876.663	125.814.998	--	--
Liabilities for employee benefits	4.404.095	4.404.095	4.404.095	--	--	--
Total liabilities	2.644.199.383	2.875.058.190	497.327.557	1.870.159.025	493.683.438	13.888.170

b.3) Market risk

The Group is exposed to financial risks arising from changes in currency rate, interest rate and price risk which arise directly from its operations. The market risks that the Group is exposed to are measured on the basis of sensitivity analysis. When compared to prior periods, there has been no change in the Group’s exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) Foreign currency risk

Transactions in foreign currencies cause exchange rate risk. Currency risk is managed with forward foreign exchange purchase/sell contracts based on approved policies.

The Company is exposed to foreign currency risk arising from the translation of foreign currency denominated assets and liabilities to TRY. The Company is also exposed to foreign currency risk due to the transactions made in foreign currency. This risk occurs due to purchases, sales and bank borrowings of the Company which are denominated in currencies other than the functional currency.

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

	31 December 2025			
	TRY Equivalent (Functional currency)	USD	EUR	CHF
1 Trade receivables	362.732.946	8.296.953	144.060	--
2a. Monetary financial assets, (cash and banks account included)	154.421.185	3.577.972	22.282	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	517.154.131	11.874.925	166.342	--
5. Trade receivables	--	--	--	--
6. Other	--	--	--	--
7. Non-current assets (5+6)	--	--	--	--
8. Total assets (4+7)	517.154.131	11.874.925	166.342	--
9. Trade payables	729.854.291	16.925.649	92.730	--
10. Financial liabilities	423.644.661	7.456.861	2.071.162	--
11a. Other monetary liabilities	--	--	--	--
11b. Other non-monetary liabilities	--	--	--	--
12. Current liabilities (9+10+11)	1.153.498.952	24.382.510	2.163.892	--
13. Trade payables	530.880.115	--	--	9.850.833
14. Financial liabilities	341.027.703	786.400	6.111.729	--
15. Non-current liabilities (13+14)	871.907.818	786.400	6.111.729	9.850.833
16. Total liabilities (12+15)	2.025.406.770	25.168.910	8.275.621	9.850.833
17. Net assets of off-balance sheet derivative items (liability) position (18a - 18b)	--	--	--	--
18a. Total amount of assets hedged	--	--	--	--
18b. Total amount of liabilities hedged	--	--	--	--
19. Net foreign currency assets / (liability) position (8-16+17)	(1.508.252.639)	(13.293.985)	(8.109.279)	(9.850.833)

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

	31 December 2024			
	TRY Equivalent (Functional currency)	TRY Equivalent (Historical Value)	USD	EUR
1 Trade receivables	479.939.491	366.657.186	10.392.689	--
2a. Monetary financial assets, (cash and banks account included)	29.301.569	22.385.386	634.501	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	--	--	--	--
4. Current assets (1+2+3)	509.241.060	389.042.572	11.027.190	--
5. Trade receivables	--	--	--	--
6. Other	--	--	--	--
7. Non-current assets (5+6)	--	--	--	--
8. Total assets (4+7)	509.241.060	389.042.572	11.027.190	--
9. Trade payables	88.398.941	67.533.736	1.902.087	11.638
10. Financial liabilities	267.129.593	204.077.778	5.784.468	--
11a. Other monetary liabilities	--	--	--	--
11b. Other non-monetary liabilities	--	--	--	--
12. Current liabilities (9+10+11)	355.528.534	271.611.514	7.686.555	11.638
13. Trade payables	--	--	--	--
14. Financial liabilities	240.431.032	183.681.000	--	5.000.000
15. Non-current liabilities (13+14)	240.431.032	183.681.000	--	5.000.000
16. Total liabilities (12+15)	595.959.566	455.292.514	7.686.555	5.011.638
17. Net assets of off-balance sheet derivative items (liability) position (18a - 18b)	--	--	--	--
18a. Total amount of assets hedged	--	--	--	--
18b. Total amount of liabilities hedged	--	--	--	--
19. Net foreign currency assets / (liability) position (8-16+17)	(86.718.506)	(66.249.942)	3.340.635	(5.011.638)

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

Currency risk sensitivity

The Group is mainly exposed to foreign exchange risk arising from fluctuations in the USD, EUR, and GBP.

The table below presents the Group’s sensitivity to a 10% increase and decrease in the USD, EUR, and GBP exchange rates. The 10% rate is the one used when reporting foreign exchange risk internally to key management personnel and represents management’s assessment of a reasonably possible change in exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items at year-end and shows the effects of a 10% change in exchange rates at that date.

Foreign Currency Sensitivity Analysis Table		
31 December 2025		
	Profit and Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TRY by 10%:		
1- USD net assets / liabilities	(56.959.011)	56.959.011
2- Hedged portion of USD risk (-)	--	--
3- USD net effect (1+2)	(56.959.011)	56.959.011
Change of EUR against TRY by 10%:		
4 - Net EUR assets/liabilities	(40.778.241)	40.778.241
5- Hedged portion of EUR risk (-)	--	--
6- EUR net effect (4+5)	(40.778.241)	40.778.241
Change of CHF against TRY by 10%:		
7 - Net CHF assets/liabilities	(530.880.115)	530.880.115
8- Hedged portion of CHF risk (-)	--	--
9- CHF net effect (4+5)	(530.880.115)	530.880.115
TOTAL (3+6+9)	(628.617.367)	628.617.367

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

Currency risk sensitivity (Continued)

Foreign Currency Sensitivity Analysis Table				
31.12.2024				
	Profit and Loss (Historical Value)		Profit and Loss (Indexed Value)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TRY by 10%:				
1- USD net assets / liabilities	11.785.859	(11.785.859)	15.427.215	(15.427.215)
2- Hedged portion of USD risk (-)	--	--	--	--
3- USD net effect (1+2)	11.785.859	(11.785.859)	15.427.215	(15.427.215)
Change of EUR against TRY by 10%:				
4 - Net EUR assets/liabilities	(18.410.854)	18.410.854	(24.099.067)	24.099.067
5- Hedged portion of EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	(18.410.854)	18.410.854	(24.099.067)	24.099.067
TOTAL (3+6)	(6.624.995)	6.624.995	(8.671.852)	8.671.852

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26. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.2) Interest rate risk

Borrowing of the Company at fixed and variable interest rates. It exposes the Company to interest rate risk. Interest rates of financial assets and liabilities are stated in the related notes.

Interest rate sensitive	31 December 2025	31 December 2024
<i>Financial instruments with fixed interest rates</i>		
Financial assets	--	--
Financial liabilities	3.141.924.336	2.430.103.627
	3.141.924.336	2.430.103.627
<i>Financial instruments with variable interest rates</i>		
Financial assets	--	--
Financial liabilities	375.326.146	339.179.899
	375.326.146	339.179.899

As of 31 December 2025, the Group’s interest rate range on TRY-denominated loans is 23,75%–58,35%, while the average interest rate on foreign currency-denominated loans is 6,00%. (As of 31 December 2024: the interest rate range on TRY-denominated loans was 40,60%–58,08%, and the interest rate range on foreign currency-denominated loans was 7,99%).”

Any increase in the interest rates of the loans used by the Group will lead to an increase in the Group's financing expenses.

27. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are necessary in interpreting market data to determine fair value. Accordingly, the estimates presented here may not represent the amounts that the Group could realize in a current market transaction.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

It is assumed that the carrying values of financial assets shown at cost, including cash and cash equivalents, are equal to their fair values due to their short-term nature. It is anticipated that the carrying values of trade receivables, together with the related impairment provisions, reflect the fair value.

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27. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING) (CONTINUED)

Fair value of financial instruments (Continued)

Monetary liabilities

The fair values of short-term bank loans and other monetary liabilities are considered to be close to their book values due to their short-term nature.

Due to the fact that long-term financial liabilities mostly have variable interest rates and are repriced in the short term, it is anticipated that the carrying values of the borrowings are close to their fair values as of the reporting date.

First level: Valuation techniques that use active market (unadjusted) market prices for identical assets and liabilities.

Second level: Valuation techniques that include inputs used to find the directly or indirectly observable market price of the relevant asset or liability other than the market price specified at the first level.

Third level: Valuation techniques that include inputs that are not based on market observable data used to determine the fair value of the asset or liability.

31 December 2025	Financial assets/liabilities at amortized cost	Book value	Fair value
<i>Financial assets</i>			
Cash and cash equivalents	229.656.213	229.656.213	229.656.213
Trade receivables	1.054.595.235	1.054.595.235	1.054.595.235
<i>Financial liabilities</i>			
Financial liabilities	3.141.924.336	3.141.924.336	3.141.924.336
Trade payables	1.550.458.614	1.550.458.614	1.550.458.614
31 December 2024			
Financial assets/liabilities at amortized cost			
<i>Financial assets</i>			
Cash and cash equivalents	66.691.929	66.691.929	66.691.929
Trade receivables	1.488.521.201	1.488.521.201	1.488.521.201
<i>Financial liabilities</i>			
Financial liabilities	2.430.103.627	2.430.103.627	2.430.103.627
Trade payables	209.691.661	209.691.661	209.691.661

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28. Events After the Reporting Date

The Company’s prospectus within the scope of the public offering was approved by the Capital Markets Board in the bulletin dated January 23, 2026 and numbered 2026/4, and the Company started trading on Borsa Istanbul A.Ş. on February 6, 2026. The Company’s current shareholding structure is as follows:

	6 February 2026	
	TRY	Share Percentage (%)
Orhan İlhan	38.262.500	13,99
Doğan İlhan	36.077.500	13,20
Yunus Emre İlhan	36.077.500	13,20
Nihad İlhan	36.077.500	13,20
Emrullah İlhan	36.077.500	13,20
Muhammed Musa İlhan	36.077.500	13,20
Publicly Traded	54.700.000	20,01
Total	273.350.000	100