TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENTAUDITOR'S REPORT AS OF DECEMBER 31, 2023
(Originally issued in Turkish)

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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TAB Gıda Sanayi ve Ticaret A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of TAB Gıda Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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. These matters were addressed in the context of our 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.

Key audit matter	How the key Audit matter was addressed in the audit
Measurement of property, plant and equipment using revaluation method	
The Group uses revaluation model for subsequent measurement of machinery, and equipment in its consolidated financial statements. These assets were measured at their fair values as of 31 December 2023, based on the valuation reports prepared by an independent valuation firm. We have identified the measurement of property, plant and equipment using revaluation method as a key audit matter since property, plant and equipment comprises a significant part of the Group's total assets and the revaluation methods applied require significant judgments and assumptions. Disclosures regarding property, plant and equipment are disclosed in Note 2 and Note 9	Among others, the following procedures have been performed for the measurement of property, plant and equipment using revaluation method: • The appropriateness of the Group's accounting policy for the revaluation of property, plant and equipment has been evaluated. • We have evaluated the qualifications, competencies and independence of the valuation experts appointed by the Management. • We have involved external valuation experts and also other valuation experts of a firm which is in our audit network to support us in our audit. Within this framework, it has been evaluated whether the estimations and assumption used in the valuation report and the valuation methods are appropriate and in accordance with TFRS requirements. • In addition, the adequacy of disclosures in Note 2 and Note 9 and conformity with TFRS have been evaluated.

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<table>
<tr><th>Key audit matter</th><th>How the key Audit matter was addressed in the audit</th></tr>
<tr><td>Audit of the Group operated restaurant revenue</td><td></td></tr>
<tr><td>The Group is operating in the quick service. restaurant sector with 1.615 restaurants as of December 31, 2023.

Group operated restaurant revenues, which is the most significant category included in revenues line item, is considered as the most important key performance measure in the quick service restaurant sector. Together with the number of restaurants, it is continuously monitored and used as a performance measure by the Management.

Audit of Group operated restaurant revenues has been identified as a key audit matter because; the transaction volumes are very high in line with the number of the restaurants; it is relatively more difficult to maintain assurance on completeness and accuracy of the revenues, as the revenue occurs at a large number of sales points which is material for the consolidated profit or loss statement

Accounting policies and other disclosures regarding Group operated restaurant revenues are disclosed in Note 2 and Note 17 to the consolidated financial statements.</td><td>Among others, the following procedures have been performed for the audit of Group operated restaurant revenue:

- The sales procedures of the Group and the design of the internal controls around accounting of the revenue in the consolidated financial statements have been analysed and evaluated, with the help of our information systems specialists.

- Cash sales realized during the period have been reconciled to bank statements that contains all the cash movements delivered to the bank by each restaurant, after counting the cash on hand.

- Sales made through credit cards during the period have been tested with respective bank reconciliations, online sales and sales made through meal checks / cards during the period have been tested with respective reconciliations received from the related intermediary meal card firms.

- Analytical procedures and correlation analyses were applied between revenues, credit card receivables, cash and receivables from meal check / card Group receivable accounts.

- Manual accounting entries recorded in revenues and debit records posted to revenue after the balance sheet date have been analysed.

- Adequacy of disclosures on revenue in Note 2 and Note 17 and conformity with TFRS have been evaluated.</td></tr>
</table>

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Key audit matters	How the key Audit matter was addressed in the audit
Presentation of TFRS 16, "Leases", its impacts on the consolidated financial statements and notes to the consolidated financial statements	
The amounts recognized as a result of the adoption of TFRS 16 are significant for the consolidated financial statements. In addition, the measurement of the right of use assets and financial lease liabilities are based on significant estimates and assumptions of the management. The substantial part of these estimates are interest rates used to discount cash flows and assessment of options to extend or terminate lease contracts. Therefore, the impacts of the TFRS 16 on the consolidated financial statements and the notes to the consolidated financial statements are determined as a key audit matter for our audit. Explanations regarding TFRS 16 are made in Notes 5 and 11.	Among others, the following procedures have been performed for the audit of right of use asstes and lease liability. The completeness of the contract lists obtained from the Group management is evaluated. It is evaluated whether the contracts defined as lease contracts are within the scope of TFRS 16. The lease contracts used in the calculation of right of use assets and financial lease liabilities are selected on a sample basis and the compliance of the discount rates, term of the lease contacts and the assessment of the extension options applied if such options exist with the provision of the contract are tested. And impairment analyses were performed for right of use assets. The disclosures in the consolidated financial statements in relation to the application of TFRS 16 is tested and the adequacy of such disclosures are evaluated.

Key audit matter	*How our audit addressed the key audit matter*
Application of the hyperinflationary accounting	
As stated in Note 2 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 December 31, 2023. In accordance with TAS 29, consolidated financial statements and corresponding figures for previous 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. In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2. 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.	Our audit procedures included the following; • We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by TAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

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

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

In an independent audit, our responsibilities as the auditors are:

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

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 18, 2024.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

March 18, 2024
İstanbul, Türkiye

(Convenience translation of consolidated financial statements originally issued in Turkish)

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSET			
Cash and cash equivalents	3	3.945.073.357	279.811.406
Trade receivables			
Trade receivables from related parties	*6-24*	*264.961.260*	*203.143.252*
Trade receivables from third parties	*6*	*384.923.544*	*359.641.052*
Other receivables			
Other receivables from third parties	*7*	*2.856.191*	*4.915.670*
Inventories	8	282.072.362	242.721.635
Prepaid expenses	15	834.386.604	255.346.697
Other current assets	14	18.746.792	32.483.959
Total Current Assets		**5.733.020.110**	**1.378.063.671**
Trade receivables			
Trade receivables from third parties	*6*	-	*1.212.964*
Other receivables			
Other receivables from related parties	*7-24*	-	*1.109.931.510*
Other receivables from third parties	*7*	*26.818.154*	*28.003.624*
Property, plant and equipment	9	5.226.561.840	4.572.070.486
Intangible assets	10	584.540.349	542.835.362
Right of use assets	11	3.528.547.549	3.579.539.453
Prepaid expenses	15	33.832.789	44.766.937
Other non-current assets	14	5.990.709	7.581.906
Total Non-Current Assets		**9.406.291.390**	**9.885.942.242**
TOTAL ASSETS		**15.139.311.500**	**11.264.005.913**

The accompanying notes form an integral part of these consolidated financial statements.

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
Short-term borrowings	4	56.703.612	1.014.686.741
Current portion of long-term borrowings	4	36.077.552	435.740.187
Short-term lease liabilities	5	694.146.283	844.684.396
Trade payables			
Trade payables to related parties	*6-24*	*1.060.911.243*	*1.160.555.562*
Trade payables to third parties	*6*	*436.560.716*	*476.920.635*
Other payables			
Other payables to third parties	*7*	*811.557*	*890.060*
Employee benefit payables	13	319.552.692	297.259.696
Short-term provisions			
Provisions for employee benefits	*13*	*101.503.888*	*81.443.731*
Litigation provisions	*12*	*25.117.908*	*17.950.148*
Contract liabilities	15	172.353.411	145.605.004
Current tax liabilities	23	149.360.707	51.418.539
Other current liabilities	14	75.226.028	55.596.931
Total Current Liabilities		**3.128.325.597**	**4.582.751.630**
Long-term borrowings	4	-	773.872.101
Long-term lease liabilities	5	1.342.758.775	1.621.731.481
Trade payables			
Trade payables to third parties	*6*	*140.212.758*	*160.528.393*
Provision for employee benefits	13	100.256.880	91.417.210
Contract liabilities	15	182.819.689	236.202.651
Deferred tax liabilities	23	565.040.598	522.259.827
Other non-current liabilities	14	-	39.356.102
Total Non-Current Liabilities		**2.331.088.700**	**3.445.367.765**
EQUITY			
Share capital	16	261.292.000	232.417.000
Adjustments to share capital	16	1.737.891.874	1.737.046.643
Share premium	16	3.680.151.353	-
Other comprehensive expenses to be reclassified			
- Currency translation reserves	16	12.306.878	(3.896.600)
Other comprehensive expenses not to be reclassified			
- Remeasurement losses of defined benefit plans	16	3.714.140	6.128.635
- Revaluation of property, plant and equipment	16	500.997.092	238.435.603
Net profit for the period		2.457.788.629	1.853.475.399
Retained earnings / (loss)		1.025.755.237	(827.720.162)
Total Equity		**9.679.897.203**	**3.235.886.518**
TOTAL LIABILITIES AND EQUITY		**15.139.311.500**	**11.264.005.913**

The accompanying notes form an integral part of these consolidated financial statements.

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

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

	Notes	1 January- 31 December 2023	1 January - 31 December 2022
Profit or loss			
Revenue	17	19.988.027.295	16.612.128.527
Cost of sales (-)	17	(16.593.249.719)	(14.982.437.476)
Gross profit		**3.394.777.576**	**1.629.691.051**
Marketing expenses (-)	18	(1.038.611.099)	(903.673.048)
General administrative expenses (-)	18	(566.125.769)	(463.125.362)
Other operating income	20	309.663.461	563.798.427
Other operating expenses (-)	20	(399.866.641)	(231.259.816)
Operating profit		**1.699.837.528**	**595.431.252**
Income related to investing activities	21	471.913.382	35.073.591
Expense related to investing activities (-)	21	(66.025.583)	(122.419.600)
Operating profit before financial expenses		**2.105.725.327**	**508.085.243**
Financial income	22	309.154.969	427.645.937
Financial expenses (-)	22	(986.012.703)	(943.941.694)
Monetary gain		1.279.853.905	1.983.323.407
Earning before tax		**2.708.721.498**	**1.975.112.893**
Tax income			
Current tax expense	23	(292.908.808)	(84.625.283)
Deferred tax income	23	41.975.939	(37.012.211)
Net profit for the year		**2.457.788.629**	**1.853.475.399**
Earning per share		10,34	34,46
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
- Change in foreign currency translation differences		16.203.478	154.200.098
Items that will not be reclassified subsequently to profit or loss			
Revaluation of defined benefit plans and measurement gains	13	(3.219.327)	7.660.794
Revaluation of defined benefit plans and measurement losses tax expense	23	804.832	(1.532.159)
Expenses related to revaluation increase on property, plant and equipment		262.561.489	282.431.638
Expenses related to revaluation increase on property, plant and equipment tax expense		-	(43.996.035)
TOTAL COMPREHENSIVE INCOME		**2.734.139.101**	**2.252.239.735**

The accompanying notes form an integral part of these consolidated financial statements.

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

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

					Other comprehensive income / (expense)					
					will be reclassified to profit or loss	will not be reclassified to profit or loss				
	Notes	**Share capital**	**Adjustment to share capital**	**Share-based employee benefits (*)**	**Currency translation differences**	**Remeasurement of defined benefit obligation**	**Revaluation of Property, Plant and Equipment**	**Net income for the period(loss)**	**Accumulated losses**	**Total**
Balance at 1 January 2022	**16**	**32.417.000**	**1.603.657.792**	**-**	**(158.096.698)**	**-**	**-**	**-**	**(827.720.162)**	**650.257.932**
Profit for the year		-	-	-	-	-	-	1.853.475.399	-	1.853.475.399
Other comprehensive expense		-	-	-	154.200.098	6.128.635	238.435.603	-	-	398.764.336
Total comprehensive profit		-	-	-	154.200.098	6.128.635	238.435.603	1.853.475.399	-	2.252.239.735
Capital increase		200.000.000	133.388.851	-	-	-	-	-	-	333.388.851
Transfers		-	-	-	-	-	-	-	-	-
Balance at 31 December 2022		**232.417.000**	**1.737.046.643**	**-**	**(3.896.600)**	**6.128.635**	**238.435.603**	**1.853.475.399**	**(827.720.162)**	**3.235.886.518**
Balance at 1 January 2023	**16**	**232.417.000**	**1.737.046.643**	**-**	**(3.896.600)**	**6.128.635**	**238.435.603**	**1.853.475.399**	**(827.720.162)**	**3.235.886.518**
Profit for the year		-	-	-	-	-	-	2.457.788.629	-	2.457.788.629
Other comprehensive expense		-	-	-	16.203.478	(2.414.495)	262.561.489	-	-	276.350.472
Total comprehensive profit		-	-	-	16.203.478	(2.414.495)	262.561.489	2.457.788.629	-	2.734.139.101
Capital increase		28.875.000	845.231	-	-	-	-	-	-	29.720.231
Increase due to share-based transactions.		-	-	3.680.151.353	-	-	-	-	-	3.680.151.353
Transfers		-	-	-	-	-	-	(1.853.475.399)	1.853.475.399	-
Balance at 31 December 2023		**261.292.000**	**1.737.891.874**	**3.680.151.353**	**12.306.878**	**3.714.140**	**500.997.092**	**2.457.788.629**	**1.025.755.237**	**9.679.897.203**

(*) TAB Gıda Sanayi ve Ticaret A.Ş. ("Company") has carried out the public offering of its shares between October 18-20, 2023 via the "Fixed Price Demand Collection Method" in Borsa Istanbul. Due to the increase of TAB Food Industry and Trade Inc.'s equity capital from 232.417.000 TL to 261.292.000 TL, a total of 52.500.000 TL nominal valued 52.500.000 shares, consisting of 28.875.000 TL nominal valued 28.875.000 shares to be increased and 23.625.000 TL nominal valued 23.625.000 shares owned by the main partner TFI TAB Gıda Yatırımları A.Ş., have been offered to the public. As a result of the transactions during the public offering process of the Company, the emission premiums amounting to 3.724.875.000 TL as of the public offering date have been added to the share issuance premiums. The net effect of the increase due to share-based transactions after deducting the transaction costs of 149.385.633 TL arising from the public offering process transactions as of the public offering date is 3.680.151.353 TL according to the purchase basis as of December 31, 2023.

The accompanying notes form an integral part of these consolidated financial statements.

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE ACCOUNTING PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

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

	Notes	1 January - 31 December 2023	1 January- 31 December 2022
Cash Flows From Operating Activities			
Net profit for the period		2.457.788.629	1.853.475.399
Adjustments related to reconciliation of net profit/(loss) for the period		**1.911.661.214**	**1.205.138.222**
Depreciation and amortization expense	9-10	983.347.161	907.757.641
Adjustments for impairment impairment and expenses related to closed restaurants	21	5.291.764	11.465.055
Adjustments for provisions provisions related to employee benefits	13	237.406.362	220.876.353
Adjustment related to provisions for litigation and/or penalties	12	29.339.179	17.331.626
Adjustments related to interest income and expenses			
Interest income	21,22	(515.727.846)	(247.501.091)
Adjustments regarding participation fee income	21,22	(48.002.548)	-
Interest expense	22	274.397.432	381.593.226
Deferred financial income arising from forward purchases	20	36.700.349	18.923.832
Unearned finance expense arising from credit sales	20	(16.920.861)	(29.280.153)
Depreciation and amortisation on leases	11	1.459.962.801	1.115.422.833
Interest expense on leases, net	5	186.293.229	(29.531.174)
Adjustments related to unrealised foreign currency translation differences		78.492.288	39.419.265
Adjustments related to tax (income) / expense	23	250.932.869	121.637.494
Adjustments related to gain on disposal of property, plant and equipment		(4.399.764)	42.413.327
Monetary gain		(1.045.451.201)	(1.365.390.011)
Changes in Working Capital		**(555.647.062)**	**375.443.173**
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties		(185.165.472)	(96.051.826)
Increase in trade receivables from third parties		(260.481.545)	(182.252.547)
Adjustments related to (increase)/decrease in other current and non-current assets		1.665.595	(4.846.000)
(Increase)/decrease in inventories		(176.135.748)	(131.591.724)
(Increase)/decrease in prepaid expenses		(898.765.966)	(177.173.526)
Adjustments for increase in trade payables			
(Increase)/decrease in due to related parties		521.959.665	432.732.670
(Increase)/decrease in trade payables to third parties		199.717.525	351.339.323
Other payables / liabilities (decrease)/increase		254.231.036	194.960.523
Increase/(decrease) in other liabilities		(12.672.152)	(11.673.720)
Cash Flows From Operations		**(320.011.649)**	**(180.162.111)**
Income taxes paid	23	(194.966.640)	(57.720.820)
Employee benefits paid	13	(113.290.767)	(114.368.288)
Litigation paid	12	(11.754.242)	(8.073.003)

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE ACCOUNTING PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

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

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
Cash Flows From Investing Activities		**245.782.462**	**(1.557.818.962)**
Cash inflows from disposal of property, plant and equipment	9	45.539.515	34.604.643
Cash outflows from acquisition of property, plant and equipment	9	(1.387.472.425)	(930.234.517)
Cash outflows from acquisition of intangible assets	10	(85.946.532)	(179.551.279)
Cash advances given to related parties		1.109.931.510	(730.138.900)
Dividend income		48.002.548	-
Interest received		515.727.846	247.501.091
Cash Flows From Financing Activities		**106.930.371**	**(1.444.365.699)**
Capital increase		28.875.000	200.000.000
Net cash inflows resulting from share premium		3.575.489.367	-
Cash inflows from borrowings	4	717.133.061	1.027.367.500
Cash outflows related to loan repayments	4	(2.592.020.086)	(746.076.054)
Interest paid	4	(283.372.484)	(396.627.562)
Interest payments related to leasing transactions	5	(235.203.313)	(180.575.869)
Payments for lease transactions	5	(1.103.971.174)	(1.348.453.714)
THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS		**(181.242.014)**	**(50.547.001)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**3.665.261.951**	**201.163.021**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**3**	**279.811.406**	**78.648.385**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3**	**3.945.073.357**	**279.811.406**

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

TAB Gıda Sanayi ve Ticaret A.Ş. ("the Company") was established on 4 August 1994. The principal activities of the Company and its subsidiaries ("the Group") are sub-letting brands and operating fast food hamburger, chicken and pizza restaurants under the Burger King, Popeyes, Sbarro, Arby's, Subway, Usta Dönerci and Usta Pideci brands. The Company operates the largest fast food hamburger restaurant chain in Turkey in terms of number of restaurants.

The Group operates and franchises Burger King, Popeyes, Sbarro and Arby's-branded restaurants under exclusive development and master franchise agreements and the owner of Usta Dönerci and Usta Pideci brands. Burger King and Popeyes brands are both owned by Restaurant Brands International Inc ("RBI"). The expiry dates of the master franchise and exclusivity rights under the Master Franchise Development Agreement ("MFDA") are as follows:

Brand	Expiration Dates
Burger King— Quick Service Restaurant Business Türkiye	1 December 2032
Popeyes— Quick Service Restaurant Business Türkiye	31 December 2026
Sbarro— Quick Service Restaurant Business Türkiye	31 December 2027
Arby's— Quick Service Restaurant Business Türkiye	31 December 2027
Subway— Quick Service Restaurant Business Türkiye	31 December 2029

The address of the Company is Dikilitaş Mahallesi Emirhan Caddesi No: 109 Beşiktaş, İstanbul.

As at 31 December 2023 the average number of personnel employed during the year is 15.454' (31 December 2022: 15.830).

As of 31 December 2023, the Group has a total of 1.615 open restaurants. The number of franchise restaurants in the total number of open restaurants is 687 as of 31 December 2023. (31 December 2022: The number of Group restaurants is 1.470, of which 536 are franchise restaurants).

TFI TAB Gıda Yatırımları Anonim Şirketi is the main shareholder of the Group and the main controlling party.

As at 31 December 2023, the list of subsidiaries is as follows:

- TAB Georgia LLC. "GÜRCİSTAN"
- TAB Limited Makedonija Dooel Petrovec "MAKEDONYA"

A brief description of the Company's subsidiaries is as follows:

- TAB Georgia LLC. was established on 26 December 2006 in Georgia. TAB Georgia operates fast food restaurants. As of 31 December 2023, the total number of open restaurants is 9 and the number of franchise restaurants is 1 (31 December 2022: Total number of open restaurants is 9, 1 of which belongs to franchise restaurants).

- TAB Limited Makedonija Dooel Petrovec was established in Macedonia on 13 June 2011. TAB Macedonia operates fast food restaurants. As of 31 December 2023, the total number of open restaurants is 12, all of which are operated by the Group. (31 December 2022: Total number of open restaurants is 11, all of which are operated by the Group).

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

As at 31 December 2023, the list of branches is as follows:

- TAB Gıda Sanayi ve Ticaret A.Ş. – Northern Cyprus Branch "KUZEY KIBRIS"

Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors and authorised for issue on 18 March 2024. The General Assembly and other regulatory bodies are authorised to amend and restate the financial statements

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

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.

The Company and its subsidiaries operating in Turkey, 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.

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous 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 31 December 2023 as per TAS 29.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (Cont'd)

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year end	Index	Index, %	Conversion Factor
2004	113.86	13.86	16.33041
2005	122.65	7.72	15.16005
2006	134.49	9.65	13.82541
2007	145.77	8.39	12.75557
2008	160.44	10.06	11.58925
2009	170.91	6.53	10.87929
2010	181.85	6.40	10.22480
2011	200.85	10.45	9.25756
2012	213.23	6.16	8.72007
2013	229.01	7.40	8.11921
2014	247.72	8.17	7.50597
2015	269.54	8.81	6.89835
2016	292.54	8.53	6.35599
2017	327.41	11.92	5.67906
2018	393.88	20.30	4.72068
2019	440.50	11.84	4.22107
2020	504.81	14.60	3.68333
2021	686.95	36.08	2.70672
2022	1128.45	64.27	1.64773
2023	1859.38	64.77	1,00000

Assets and liabilities were separated into those that were monetary and non–monetary, with non–monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (Cont'd)

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

Functional and Reporting Currency

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Turkish Lira ("TL"), which is the functional currency of the Group and the presentation currency of the Group's consolidated financial statements.

In preparing the consolidated financial statements of the Group, balance sheet items of companies whose functional currency is different from TL are translated into TL at the exchange rate ruling at the balance sheet date and income, expenses and cash flows are translated into TL at the exchange rate ruling at the date of the transactions (historical exchange rate) or, if the date cannot be determined, at the annual average exchange rate. The resulting translation difference is recognised in the foreign currency translation reserve under equity.

The functional currencies of the Company's subsidiaries in Georgia and Macedonia are Georgian Lari and Macedonian Dinar, respectively.

As at 31 December 2023, the buying exchange rates for assets are 1 Macedonian Dinar = TL 0,5310 and 1 Lari = TL 10,9890 (2022 December: 1 Macedonian Dinar = TL 0,3247 and 1 Lari = TL 6,9300), and the selling exchange rates for liabilities are 1 Macedonian Dinar = TL 0,5310 and 1 Lari = TL 10,9890 (2022 December: 1 Macedonian Dinar = TL 0,3247 and 1 Lari = TL 6,9300).

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basic Principles of Presentation (cont'd)

Basis of consolidation

The details of the Company's subsidiaries as at 31 December 2023 and 2022 are as follows:

Subsidiaries	Business Segment	Country of Origin	2023	2022
TAB Georgia LLC	Quick Service Restaurant	Georgia	%100	%100
TAB Limited Makedonija Dooel Petrovec	Quick Service Restaurant	Macedonia	%100	%100

As at 31 December 2023 and 2022, the Group's branch information is as follows:

Branch Name	Business Segment	Country of Origin
TAB Gıda Sanayi ve Ticaret A.Ş. – Northern Cyprus Branch	Quick Service Restaurant	Northern Cyprus

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company fulfils the following conditions:

- has power over the invested company/asset
- is entitled or open to variable returns from the invested company/asset
- has the ability to affect those returns through its power to direct the activities of the entity

If a situation or event occurs that could lead to a change in at least one condition stated above, Company shall reassess whether it has control over its investment.

In cases where the Company does not have the majority voting right over the invested company/asset, if it has sufficient voting rights to direct/manage the activities of the relevant investment alone, it has control over the invested company/asset. The Company considers all relevant events and conditions in assessing whether the majority of the votes in the relevant investment is sufficient to gain control, including the following:

- Comparing the voting rights of the Company with the other shareholders,
- Potential voting rights of the Company and other shareholders have,
- Rights arising from other contractual agreements,
- Other events and conditions that can show whether the Company has power in managing the relevant activities (including the votes at the general assembly meetings in previous periods) in cases where a decision needs to be made.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The income and expenses of subsidiaries acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of purchase to the date of sell out.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basic Principles of Presentation (cont'd)

Basis of consolidation

Each item of the profit or loss and other comprehensive income belongs to the parent shareholders and non-controlling interests. Even if the non-controlling interests result in negative balance, the total comprehensive income of the subsidiaries is transferred to the parent company shareholders and non-controlling interests.

If necessary, adjustments regarding to the accounting policies have been made in the financial statements of the subsidiaries in order to be the in line with the accounting policies followed by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2 Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in accounting policies in the current year.

2.3 Changes and Errors in Accounting Estimates

If the changes in accounting estimates and errors are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. The Group has not changed any accounting estimates and no significant accounting policy errors have been identified in the current year.

2.4 New and Revised Turkish Accounting Standards

As of 31 December 2023, the accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023, are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023, and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Con't)

2.4 New and Revised Turkish Accounting Standards (cont'd)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The effects of the change on the Group's consolidated financial position and performance are being evaluated.

2.5 Significant accounting policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting company)..

(a) A person or a close member of that person's family is related to a reporting entity if The person in question,

(i) has control or joint control over the reporting company,
(ii) has significant influence over the Reporting company,
(iii) is a member of the key management personnel of the reporting company or of a parent of the reporting company

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Con't)

2.5 Significant accounting policies (cont'd)

Related Parties (cont'd)

(b) A company is related to a reporting entity if any of the following conditions are met:

(i) The company and the reporting company are members of the same group (i.e. each parent, subsidiary and fellow subsidiary is related to the others
(ii) The company is an associate or joint venture of the other company (or of a member of a group of which the other company is a member)..
(iii) If both companies are joint ventures of the same third party.
(iv) One company is a joint venture of a third company and the other company is an associate of the third company.
(v) The company has a post-employment benefit plan for the benefit of employees of the reporting company or of a company related to the reporting company. If the reporting company itself has such a plan, the sponsoring employers are also related to the reporting company.
(vi) If the company is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in subparagraph (i) of paragraph (a) has significant influence over the company or is a member of the key management personnel of that company (or of a parent of that company).

A transaction with a related party is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue Recognition

The Group's revenues consist of quick service revenues, sale of goods to restaurants operated by franchisees and third parties. Revenue is presented net of discounts. Indirect tax collected from customers is excluded from revenue and the obligation is included in tax payable until the taxes are remitted to the appropriate taxing authorities.

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, using a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer,
Step 2: Identify the performance obligations in the contract,
Step 3: Determine the transaction price,
Step 4: Allocate the transaction price to the performance obligations in the contract,
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Quick Service Restaurant Revenue:

Quick service restaurant revenues include (a) Company operated restaurants sales, (b) franchise revenues, and (c) installation and property revenues.

(a) Retail sales in group restaurants: Retail sales at Group restaurants are recognised at the time of sale. The Group recognises revenue on a net basins after deducting sales related taxes.

(b) Franchise revenues: Franchise revenues consist primarily of royalties, based on a percentage of net sales reported by the sub-franchised restaurants, and initial and renewal franchise fees paid by sub-franchisees. Royalty rates vary for each different brand. Royalty income is recognized in the period earned. Initial franchise fees are received upfront and recognized as deferred revenue when the related sub-franchised restaurant begins operations and amortized over the term of the franchise agreement. A sub-franchisee may pay a renewal franchise fee and renew its franchise for an additional term. Renewal franchise fees are recognized as deferred revenue over the terms of franchise agreement upon receipt of the non-refundable fee and execution of a new franchise agreement. The Group records franchise revenue gross of the portion of the franchise revenue payable to the applicable franchisor under the applicable master franchise and development agreements, as the Group considers itself as the principal in the arrangement. This is because the Group is the entity that is party to the contract with the applicable franchisor and remains liable for payment in full of a portion of the sub-franchisee's sales to the applicable franchisor. Further the sub-franchisees are not covered by the contract between the Group and the applicable franchisor, and the franchisor only has recourse against the Group for matters relating to the sub-franchisees.

(c) Installation and property revenues: The Group provides a "Turnkey" opening option for the new sub-franchisees. The Group undertakes the construction, decoration and supply of machinery, equipment and fixtures for the sub-franchisee. Initial installation and property fees are recognized as revenue when all material services or conditions relating to the store have been substantially performed which is typically when the related restaurant begins its operations. Property revenue also consists of rent income received from sub-franchisees when the Group subleases stores to sub-franchisees.

Sale of goods to franchise restaurants and other sales to third parties

Sale of goods are recognized when it transfers control of a product or service to a customer.

Leases

The Group as lessee

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and the related lease liability for all leases in which it is the lessee, except for short-term leases (leases with lease terms of 12 months or less) and leases of low-value assets. For these leases, the Group recognises lease payments as an operating expense on a straight-line basis over the lease term unless there is another systematic basis that better reflects the timing of the economic benefits derived from the leased assets.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Leases (cont'd)

On initial recognition, lease liabilities are recognised at the present value of the lease payments outstanding at the inception of the lease, discounted at the lease rate. If this rate is not specified in advance, the Group uses an alternative borrowing rate determined by the Group.

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

- fixed lease payments (essentially fixed payments) less any lease incentives;
- variable lease payments that are linked to an index or rate, initially measured using an index or rate at the commencement date of the lease;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of payment options where the lessee can reasonably exercise the payment options; and
- penalty payment for cancellation of the lease if there is a right to cancel the lease during the lease period.

The lease liability is presented as a separate line item in the statement of financial position. Lease liabilities are subsequently measured by increasing the net carrying amount to reflect interest on the lease liability (using the effective interest method) and decreasing the net carrying amount to reflect the lease payment made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group has modified the contracts if needed during the periods presented.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Leases (cont'd)

A provision is recognised in accordance with IAS 37 when the Group incurs costs necessary to dismantle and remove a lease asset, restore the site on which the asset is located, or restore the underlying asset in accordance with the terms and conditions of the lease. These costs are included in the related 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 the useful life of the underlying asset. The associated right-of-use asset is depreciated over the useful life of the underlying asset when the ownership of the underlying asset is transferred or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset. Depreciation commences on the commencement date of the lease.

Right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies IAS 36 to determine whether right-of-use assets are impaired and recognises any impairment losses as set out in the 'Property, Plant and Equipment' policy.

Variable rents that are not linked to an index or rate are not included in the measurement of the lease liability and right-of-use asset. Related payments are recognised as an expense in the period in which the underlying event or events giving rise to the payments occur and are included in 'Other expenses' in the statement of profit or loss.

As a practical expedient, TFRS 16 permits a lessee to recognise all leases and non-lease related items as a single lease contract and not to present the non-lease related items separately. The Group has not used this practical expedient.

The Group as lessor

Leases for which the Group is a lessor are classified operating leases. Under operating leases, leased assets are classified under investment property, property, plant and equipment or other current assets in the consolidated balance sheet and rental income is recognised in the consolidated income statement in equal amounts over the lease term. Rental income is recognised in the consolidated income statement on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs are capitalised for assets that will take a substantial period of time to get ready for their intended use or sale. When the construction of these assets is completed and they are ready for their intended use, they are reclassified to property, plant and equipment. Such assets are depreciated when they are ready for use, in accordance with the depreciation method used for other fixed assets.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Borrowing costs

Transactions related to the financing of a qualifying asset may result in the provision of some or all of the funds for the qualifying assets for a period of time prior to their utilisation and the incurrence of borrowing costs for this period. In such cases, these funds are generally invested in temporary investments until the investment in qualifying assets is made. In determining the borrowing costs that can be capitalised for a period, investment income from such borrowed funds is deducted from the borrowing costs incurred.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Inventories

Inventories are valued at the lower of cost or net realisable value. Costs, including an appropriate portion of fixed and variable overheads, are valued using the method most appropriate to the particular class of inventory, with the majority being valued using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. When the net realisable value of inventories is less than cost, the inventories are written down to their net realisable value and the expense is included in the statement of income in the year the write-down or loss occurred. An impairment loss is reversed when the circumstances that previously caused inventories to be written down to net realisable value no longer exist or when there is evidence of an increase in net realisable value due to changing economic conditions. The amount cancelled is limited to the amount of impairment previously recognised.

Property, plant and equipment

As of 31 December 2019, the Group has changed its accounting policies on plant, machinery and equipment, taking into account the more accurate and reliable presentation of transactions related to financial position, performance or cash flows. The Group has revalued the related items as of 31 December 2022 and 2021 due to significant fluctuations in the fair value of plant, machinery and equipment. The Group has adopted the revaluation method for plant, machinery and equipment and the cost method for vehicles, fixtures and leasehold improvements.

Plant, machinery and equipment held for use in the production or supply of goods or services or for administrative purposes are stated at revalued amounts. The revalued amount is determined by deducting accumulated depreciation and accumulated impairment losses arising in subsequent periods from the fair value determined at the revaluation date. Revaluations are carried out at regular intervals so that the fair value to be determined at the balance sheet date does not differ materially from the carrying amount. The increase arising from the revaluation of such plant, machinery and equipment is recognised in the revaluation reserve in equity. Any increase in value arising on revaluation is recognised in the statement of profit or loss to the extent of any impairment loss previously recognised in the statement of profit or loss. A decrease in the carrying amount of plant, machinery and equipment resulting from a revaluation is recognised in profit or loss to the extent that it exceeds the balance in the revaluation reserve related to the previous revaluation of the asset.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Depreciation of revalued plant, machinery and equipment is recognised in the statement of profit or loss. When the revalued plant, machinery and equipment are sold or withdrawn from service, the remaining balance in the revaluation reserve is transferred directly to retained earnings. Unless the asset is derecognised, no transfer is made from the revaluation reserve to retained earnings.

The Group capitalises costs related to specialists assigned to restaurant construction projects, which are allocated to each newly opened restaurant. The capitalised costs comprise wage payments and related travel expenses of employees who are fully engaged in restaurant construction projects. Capitalised wage payments are allocated to each new restaurant location based on the hours spent on the related project. The Group starts to capitalise on the related costs when the development of the project becomes probable, the site is identified, and the related profitability assessment is accepted. Repair and maintenance costs are expensed as incurred.

Land and land improvements are not depreciated. Plant, machinery and equipment are stated at revalued amounts less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, other than land and construction in progress, are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. According to the Group's choice of accounting policy, the revaluation surplus in the revaluation surplus fund is not transferred to retained earnings unless the asset is derecognised.

Intangible Assets

Intangible assets acquired

Acquired intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. These assets are amortised on a straight-line basis over their estimated useful lives.

The estimated useful lives and amortisation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis. Separately acquired intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Intangible Assets (cont'd)

Licenses

Licences acquired are carried at historical cost. Trademarks and licences have finite useful lives and are stated at cost less accumulated amortisation. Trademarks and licences are amortised on a straight-line basis over their expected useful lives.

Purchased computer software is capitalised at the time of purchase and at the cost incurred from the time of purchase until the software is ready for use. These costs are amortised over their useful lives.

Costs associated with developing and maintaining computer software are recognised in the consolidated statement of comprehensive income in the period in which they are incurred. Costs that are directly attributable to the development of identifiable and unique software products controlled by the Group and that are expected to generate economic benefits exceeding cost for more than one year are recognised as intangible assets. Costs include the costs of employees developing the software and a portion of production overheads. Computer software development costs that can be considered as intangible assets are amortised over their economic lives.

Restaurant opening franchise fees

The Group is required to pay a restaurant opening franchise fee to the franchisor before opening a new restaurant. Restaurant opening franchise fees related to the Company's own-operated restaurants are capitalised as intangible assets and amortised on a straight-line basis over the term of the franchise agreement (generally 20 years).

Initial franchise fees received from the franchisee

Prior to the opening of a new franchise, the Group receives a restaurant opening franchise fee from the sub-franchise and pays an opening franchise fee to the parent franchise. The restaurant opening fee received from the sub-franchisee is recognised as deferred revenue and recognised in the statement of profit or loss over the term of the agreement.

Derecognition of intangible assets

An intangible asset is derecognised when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset is calculated as the difference between the net proceeds from disposal of the asset, if any, and its carrying amount. This difference is recognised in profit or loss when the related asset is derecognised.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Impairment of assets (cont'd)

At each reporting date, the Group assesses whether there is any indication that an impairment loss has been recognised in respect of property, plant and equipment and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that are not available for use, the recoverable amount is estimated at each reporting date. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses arising in this case are recognised in the income statement. However, if the related asset is revalued, the impairment loss is deducted from the revaluation reserve.

The increase in the carrying amount of the asset (or cash-generating unit) resulting from the reversal of an impairment loss should not exceed the carrying amount (net of amortisation) that would have been determined had no impairment loss been recognised in prior years. The reversal of an impairment loss is recognised in the statement of profit or loss. Still, if the asset is revalued, the reversed impairment loss is added to the revaluation reserve.

Assets with indefinite lives, for example, goodwill, are not subject to amortisation and are tested annually for impairment. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date.

Taxation

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, income taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense comprises current tax and deferred tax.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Taxation (cont'd)

Current tax

Current tax liability is recognised on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated and recognised separately for each consolidated entity using the statutory tax rate for the related period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Current and deferred tax for the period

Current and deferred tax associated with items credited or debited directly to equity (in which case the deferred tax relating to those items is also recognised directly in equity) are recognised as an expense or income in the consolidated statement of comprehensive income.

Employee Benefits

Provision for Employee Termination Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as defined retirement benefit plans in accordance with TAS 19 "Employee Benefits".

The retirement benefit obligation recognised in the consolidated balance sheet represents the net present value of the defined benefit obligation. The cost of providing defined benefit plans and other long-term employee benefits is determined by actuarial valuations performed at each balance sheet date using the projected unit credit method. Past service cost is recognised as an expense immediately when the benefit is earned, otherwise it is recognised equally over the period until the benefit is earned. The provision for employee termination benefits in the balance sheet represents the present value of the defined benefit obligation as adjusted for past service cost. There is no funding requirement for defined benefit plans. All actuarial gains and losses are recognised in equity.

Payments made for defined contribution pension plans are recognised as an expense in the period in which the contributions are made. Payments to the Social Security Institution are treated as payments to defined contribution pension plans and the Group's obligations are similar to those of defined contribution pension plans. Payments to the Social Security Institution are mandatory. After making these payments, the Group has no further payment obligations. Contributions are recognised as employee benefit expenses in the period in which the service is rendered.

Financial Assets

The Group classifies its financial assets into three categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The classification is based on the business model used by the entity to manage financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets at the date of acquisition.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

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

- the financial asset is held within a business model whose objective is 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.

The allowance for doubtful receivables for trade receivables is calculated based on the expected credit loss model. The expected credit loss model on trade receivables is based on an allowance matrix created based on the debtor's past uncollectability experience and the debtor's current financial position. The Group management has concluded that the allowance for doubtful receivables on the Group's receivables that are not overdue in accordance with TFRS 9 is not significant since a significant portion of the Group's sales is collected in cash or by credit card.

The Group recognises a provision for trade receivables when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example, if the debtor is placed into liquidation or bankruptcy proceedings or if the trade receivables are due in more than two years. None of the impaired trade receivables are subject to enforcement actions.

Financial assets that meet the following conditions are measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is to collect contractual cash flows and to sell the financial asset; 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 at fair value through profit or loss:

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.5 Significant accounting policies (cont’d)

Financial Liabilities

The Group measures a financial liability at fair value on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial liabilities other than those at fair value through profit or loss are added to the fair value on initial recognition.

The Group classifies all financial liabilities as measured at amortised cost on subsequent recognition, except for the following:

a) Financial liabilities at fair value through profit or loss: These liabilities, including derivatives, are measured at fair value on subsequent recognition.

b) Financial liabilities arising when the transfer of a financial asset does not meet the derecognition criteria or when the continuing relationship approach is applied: When the Group continues to recognise an asset in the financial statements to the extent of its continuing involvement, it also recognises a liability in the financial statements. The transferred asset and the related liability are measured to reflect the rights and obligations that the entity continues to hold. The liability associated with the transferred asset is measured in the same way as the net carrying amount of the transferred asset.

c) Contingent consideration recognised in the financial statements by the acquirer in a business combination to which IFRS 3 is applied: After initial recognition, changes in the fair value of such contingent consideration are measured at fair value through profit or loss.

The Group does not reclassify any financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities only when the Group's obligations are discharged, cancelled or expire. Any difference between the carrying amount of the financial liability derecognised and the amount paid or payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Provisions

A provision is recognised in the consolidated financial statements when the Group has a present obligation as a result of a past event, 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 recognised as provision is the most reliable estimate of the expenditure required to settle the obligation at the reporting date, taking into account the risks and uncertainties associated with the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Contract Obligations

Incentive shares received by the Group in advance from the sellers according to the purchase contracts are recognised as deferred income in the consolidated balance sheet and transferred to profit or loss accounts according to the consumption amounts of the products subject to the contract during the period. Advances received from franchisees are also recognised as deferred income.

Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as a reduction of retained earnings in the period in which the dividend distribution is decided and classified as dividend payable.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits held at financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and current accounts at banks.

Trade Receivables

Trade receivables arising from the provision of goods or services to the buyer are initially recognised at the original invoice amount and subsequently measured at amortised cost using the effective interest method. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. The "simplified approach" is applied in the impairment calculations of trade receivables that are recognised at amortised cost in the financial statements and do not contain a significant financing component (less than 1 year). Under the simplified approach, when trade receivables are not impaired for specific reasons (other than realised impairment losses), the allowance for impairment losses on trade receivables is measured at an amount equal to "lifetime expected credit losses". Subsequent to the recognition of the allowance for impairment loss, if some or all of the impaired receivable amount is collected, the amount collected is recognised in other operating income, net of any impairment loss. Credit finance income/expenses and foreign exchange gains/losses on trade transactions are recognised in "Other operating income/expenses" in the consolidated statement of profit or loss.

Trade Payables

Trade payables represent obligatory payments for goods and services provided by suppliers for the ordinary activities of the Group. If the expected period for settlement of trade payables is one year or less (or longer but within the normal operating cycle of the entity), they are classified as current liabilities. Otherwise, they are classified as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies (cont'd)

Segment Reporting

Operating segments are evaluated in parallel with the internal reporting and strategic segments presented to the bodies or persons authorised to make decisions regarding the Group's activities. For the purpose of making decisions regarding the resources to be allocated to these segments and evaluating the performance of the segments, the bodies and individuals who are authorised to make strategic decisions regarding the Company's operations are defined as the Group's senior management.

As of 31 December 2023 and 2022, the Company does not report segmental financial information since there are no different geographical regions and different types of operating segments followed by the Company management. Therefore, in accordance with the relevant provisions of TFRS 8, "Operating Segments", the Group has only one reportable operating segment and financial information is not reported by operating segments.

Restaurant Expenses Related to Pre-Opening and Temporary Closures

Pre-opening expenses and restaurant expenses related to temporary closures consist of pre-opening costs incurred for newly opened restaurants and temporary closures. There is a construction process to prepare the new restaurants for operation. The Group recognises rent expenses, personnel expenses and personnel training expenses in the statement of profit or loss in the period in which they are incurred.

Cash Flow Reporting

In the consolidated statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Cash flows from operating activities represent cash flows used in operating activities and cash flows generated from operating activities of the Group.

Cash flows from investing activities represent the cash flows used in and provided by investing activities (fixed asset investments and financial investments).

Cash flows from financing activities represent the Group's use of resources in financing activities and the repayment of these resources.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less.

Events after the Reporting Period

Subsequent events cover all events that occur between the reporting date and the date when the financial statements are authorised for issue, even if they occur after the announcement of any profit for the period or the public disclosure of other selected financial information.

The Group adjusts the amounts recognised in the financial statements if events requiring adjustment occur after the reporting date.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.6 Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the accounting policies described in Note 2.5, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Revaluation model

As at 31 December 2023, the Group has applied the revaluation method for machinery and equipment and appointed independent valuation experts. The fair value of machinery and equipment has been determined using the replacement cost approach. The determination of fair value at the revaluation date requires estimates and assumptions based on market conditions at the time of the revaluation. Changes in the Group's estimates or assumptions or changes in market conditions after the revaluation result in changes in the fair value of machinery and equipment. Please refer to Note 9 for details.

Useful lives of property, plant and equipment

The Group makes significant judgements in determining the useful lives of property, plant and equipment. The judgements are based on management's prior experience. The Group calculates depreciation and amortisation over the estimated useful lives. Therefore, changes in useful lives will result in changes in future depreciation and amortisation. Please refer to Note 9 for details.

The impairment in tangible and intangible fixed assets

The Group has performed impairment test for each restaurant and analysed the recoverable amount of the fixed assets of the restaurants. This impairment test was applied for leasehold improvements, machinery and equipment, fixtures and fittings and franchise opening fee. The value in use of the assets subjected to the test is less than the fair value less costs to sell, therefore the recoverable amount of the related assets is determined as value in use. The discount rate used to determine the value in use is 26,6% (31 December 2022: 26,6%). As a result of this impairment test, no impairment has been identified.

Leases - Estimating Additional Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses the alternative borrowing rate to measure the lease liabilities. The alternative borrowing rate is the interest rate that the Group would have to pay to borrow with a similar maturity and similar collateral, and the funds required to acquire an asset of similar value to the right-of-use asset in similar economic conditions.

Determination of the Lease Term of Contracts with Renewal and Termination Options - The Group as Lessee

The Group determines the lease term as the non-cancellable lease term if it is reasonably certain that the option to extend the lease will be exercised for the period of the lease or if it is reasonably certain that the option to terminate the lease will not be exercised for the period of the lease. The Group has several lease agreements that include extension and termination options. The Group uses judgement in assessing whether it is reasonably certain whether to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive to renew or terminate the contract.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.6 Significant Accounting Judgments, Estimates and Assumptions (cont'd)

Employee Benefits - Employment Termination Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as defined retirement benefit plans by the TAS 19 Employee Benefits Standard ("TAS 19").

The retirement benefit obligation recognised in the financial statements is calculated by estimating the net present value of the future probable obligation of the Company arising from the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognised in other comprehensive income. Please refer to Note 13 for the estimates related to the calculation.

2.7 Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	43.420.993	40.006.883
Demand deposits at bank	132.879.710	63.419.712
Time deposits at bank	3.732.928.728	148.959.583
Other cash equivalents (*)	35.843.926	27.425.228
	3.945.073.357	**279.811.406**

(*) Other cash and cash equivalents consist of receivables from credit card sales which are realised in cash within 1 day on average. The Group pays commission to banks for the collection of credit card receivables before the original maturity date. The remaining balance consists of receivables from internet payment platforms with an average maturity of 7 days.

The details of time deposits at the bank are as follows:

Currency Type	Interest Rate (%)	Maturity	31 December 2023
USD	%45	2 Jan 2024	551.627.627
TL	%40 - %47	2 Jan - 29 Mar 2024	3.181.301.101
			3.732.928.728

Currency Type	Interest Rate (%)	Maturity	31 December 2022
TL	%10 - %13	2 January 2023	148.959.583
			148.959.583

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

NOTE 4 - BORROWINGS

The details of the Group's financial liabilities as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Short term bank borrowings	56.703.612	1.014.686.741
Current portion of long-term borrowings	36.077.552	435.740.187
Total short-term borrowings	**92.781.164**	**1.450.426.928**
Long-term bank borrowings	-	773.872.101
Total long-term borrowings	**-**	**773.872.101**
Total borrowings	**92.781.164**	**2.224.299.029**

	31 December 2023	31 December 2022
To be paid within 1 year	92.781.164	1.450.426.928
To be paid between 1-2 years	-	379.924.228
To be paid between 2-3 years	-	246.962.792
To be paid between 3-4 years	-	146.985.081
	92.781.164	**2.224.299.029**

Details of the bank loans are as follows:

	Weighted Average	31 December 2023	
Currency Type	**Effective Interest Rate**	**Current**	**Non- Current**
TL	%39,8	92.781.164	-
		92.781.164	**-**

	Weighted Average	31 December 2022	
Currency Type	**Effective Interest Rate**	**Current**	**Non- Current**
TL	%17,5	1.142.010.296	439.606.310
Avro	%5,8	308.416.632	334.265.791
		1.450.426.928	**773.872.101**

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

NOTE 4 – BORROWINGS (Cont'd)

The movement of the Group's financial liabilities as at 31 December 2023 and 2022 is as follows:

	2023	**2022**
Opening balance as of 1 January	2.224.299.029	2.972.523.449
Cash inflow from borrowings	717.133.061	1.027.367.500
Cash outflows from borrowings	(2.592.020.086)	(746.076.054)
Exchange differences	228.611.371	235.951.852
Interest payments	(283.372.484)	(396.627.562)
Interest expense	274.397.432	381.593.226
Monetary gain	(476.267.159)	(1.250.433.382)
Closing balance at 31 December	**92.781.164**	**2.224.299.029**

NOTE 5 - LEASE LIABILITIES

	31 December 2023	**31 December 2022**
Short-term lease liabilities	694.146.283	844.684.396
Total short-term lease liabilities	**694.146.283**	**844.684.396**
Long-term lease liabilities	1.342.758.775	1.621.731.481
Total long-term lease liabilities	**1.342.758.775**	**1.621.731.481**
Total lease liabilities	**2.036.905.058**	**2.466.415.877**

	31 December 2023	**31 December 2022**
To be paid within 1 year	694.146.283	844.684.396
To be paid between 1-2 years	471.376.879	495.450.331
To be paid between 2-3 years	330.712.897	384.433.674
To be paid between 3-4 years	215.160.123	271.420.536
To be paid between 4-5 years	128.031.587	182.684.509
To be paid after 5+ years	197.477.289	287.742.431
	2.036.905.058	**2.466.415.877**

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

NOTE 5 - LEASE LIABILITIES (cont'd)

The movement of the Group's finance lease payables as at 31 December 2023 and 2022 is as follows:

	2023	**2022**
Opening balance as of 1 January	2.466.415.877	1.725.941.483
Purchases	1.568.684.717	2.922.811.464
Payments	(1.103.971.174)	(1.348.453.714)
Exchange differences, net	78.492.288	-
Interest expense	235.203.313	180.575.869
Interest income	(48.910.084)	(210.107.043)
Monetary gain	(1.159.009.879)	(804.352.182)
Closing balance at 31 December	**2.036.905.058**	**2.466.415.877**

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables and Notes Receivable

Current trade receivables	**31 December 2023**	**31 December 2022**
Trade receivables	391.686.700	357.509.348
Notes receivable	-	4.005.266
Trade receivables from related parties (Note 24)	264.961.260	203.143.252
Impairment provision for trade receivables (-)	(6.763.156)	(1.873.562)
	649.884.804	**562.784.304**

Non-current trade receivables		
Trade receivables	-	1.212.964
	-	**1.212.964**

The majority of the Group's sales consist of cash sales. Trade receivables consist of sales to sub-franchise companies and receivables from food voucher companies. Average maturity for trade receivables is 8 days (31 December 2022: 9 day).). The average maturity of trade receivables from related parties is 20 days. (31 December 2022: 29 days). Trade receivables are discounted using an annual interest rate of 37,22% (2022: 20,83%).

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (cont'd)

The impairment provision for trade receivables has been determined based on past experience of uncollectibility.

Notes receivables balance consists of post-dated cheques and notes received from franchisors within the scope of commercial works.

The movement of impairment provision for trade receivables is as follows:

	2023	**2022**
Opening balance as of 1 January	(1.873.562)	(5.447.936)
Allowance for doubtful receivables	(9.270.288)	-
Waiver from trade receivables	-	1.041.259
Collections	-	445.785
Monetary gain/loss	4.380.694	2.087.330
Closing balance at 31 December	**(6.763.156)**	**(1.873.562)**

The nature and level of risks related to trade receivables are disclosed in Note 25.

b) Trade Payables

Short-term trade payables	**31 December 2023**	**31 December 2022**
Trade payables (*)	311.113.017	409.680.000
Trade payables to related parties (Note 24)	1.060.911.243	1.160.555.562
Accrued expenses	125.447.699	67.240.635
	1.497.471.959	**1.637.476.197**

Long-term trade payables		
Trade payables (*)	140.212.758	160.528.393
	140.212.758	**160.528.393**

(*) Master Franchise and Development Agreement (MFDA)

On 29 March 2019, RBI and Tab Gıda signed a Second Amended and Restated Development Agreement ("MFDA") for exclusive rights and licences to operate Burger King restaurants in Turkey, effective until 1 December 2031. According to the MFDA, payments must be repaid in amounts indicating the annual franchise fees. 2019 annual franchise fees for 20 restaurants; 2020 annual franchise fees for 35 restaurants; annual franchise fees for 40 restaurants each year between 2021 and 2031. On 30 September 2020 and 14 October 2020, due to COVID-19, the development target for 2020 was set to 0 and the development calendar was extended from 2031 to 2032. Therefore, the annual franchise fees payable in 2020 for 35 restaurants became the annual franchise fee for 2021. The annual franchise fees to be paid for 40 restaurants between 2021 and 2031 will be realised between 2022 and 2032. According to this agreement, the total liability from the balance sheet date until 2032 is reflected in the financial statements and the amounts are TL 23.531.426 for short term trade payables and TL 140.212.758 for long-term trade payables. The average maturity of trade payables is 12 days (31 December 2022: 46 days). Average maturity of trade payables to related parties is 25 days (31 December 2022: 59 days).

Trade payables are discounted using the effective interest method. The effective interest rate of 37,22% has been used to determine the value of trade payables (31 December 2022: 20,83%).

The nature and level of risks related to trade payables are disclosed in Note 25.

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

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Short-term other receivables	31 December 2023	31 December 2022
Receivables from tax office	1.528.444	2.547.879
Deposits and guarantees given	1.126.035	1.786.445
Accrued income	201.712	581.346
	2.856.191	**4.915.670**

Long-term other receivables		
Other receivables from related parties (Note 24)	-	1.109.931.510
Deposits and guarantees given (*)	22.914.733	21.568.124
Other	3.903.421	6.435.500
	26.818.154	**1.137.935.134**

(*) Deposits and guarantees represent deposits given to the relevant administrative units for rents and connection fees such as electricity, natural gas and water. Deposit amounts are returned at the end of the lease agreement.

b) Other Payables

Short-term other payables	31 December 2023	31 December 2022
Deposits and guarantees received (*)	709.710	688.471
Other	101.847	201.589
	811.557	**890.060**

(*) Deposits and guarantees represent the deposits received from the relevant sub-franchisee companies for connection fees such as electricity, natural gas and water. Deposit amounts are returned at the end of the lease agreement.

The nature and level of risks related to other receivables and payables are disclosed in Note 25.

NOTE 8 - INVENTORIES

	31 December 2023	31 December 2022
Raw materials	263.105.787	220.489.097
Other inventory	18.966.575	22.232.538
	282.072.362	**242.721.635**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	Plant Machinery & Equipment	Vehicles	Furniture & Fixture	Leasehold improvements	Construction in progress	Total
Cost:						
Opening balance as of 1 January 2023	6.221.141.406	15.634.309	2.304.590.446	1.859.830.301	117.872.873	10.519.069.335
Additions	430.463.950	23.076.421	368.907.372	491.469.397	73.555.285	1.387.472.425
Disposals	(83.967.420)	(12.458.934)	(27.030.472)	(57.670.447)	-	(181.127.273)
Revaluation gain	590.842.317	-	-	-	-	590.842.317
Currency translation effect	-	-	(3.467.050)	(935.758)	-	(4.402.808)
Closing balance on 31 December 2023	**7.158.480.253**	**26.251.796**	**2.643.000.296**	**2.292.693.493**	**191.428.158**	**12.311.853.996**
Accumulated Depreciation:						
Opening balance as of 1 January 2023	(3.544.952.881)	(13.379.067)	(1.420.684.024)	(967.982.877)	-	(5.946.998.849)
Charge for the period	(499.838.589)	(3.059.009)	(245.509.637)	(188.187.845)	-	(936.595.080)
Disposals	47.800.446	11.000.070	27.495.020	36.532.752	-	122.828.288
Revaluation gain	(328.280.828)	-	-	-	-	(328.280.828)
Currency translation effect	-	-	3.321.041	433.272	-	3.754.313
Closing balance on 31 December 2023	**(4.325.271.852)**	**(5.438.006)**	**(1.635.377.600)**	**(1.119.204.698)**	**-**	**(7.085.292.156)**
Net Book Value	**2.833.208.401**	**20.813.790**	**1.007.622.696**	**1.173.488.795**	**191.428.158**	**5.226.561.840**

As at 31 December 2023, there is no pledge or mortgage on fixed assets (December 2022: None).

Depreciation expenses amounting to TL 849.491.738 is included in cost of sales and TL 87.103.342 is included in general administrative expenses (2022: TL 783.345.785) is included in cost of sales and TL 80.321.012 is included in general administrative expenses).

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Plant Machinery & Equipment	Vehicles	Furniture & Fixture	Leasehold improvements	Construction in progress	Total
Cost:						
Opening balance as of 1 January 2022	5.657.924.383	41.704.655	2.168.511.697	1.429.206.302	69.741.151	9.367.088.188
Additions	270.285.791	-	173.448.883	438.368.121	48.131.722	930.234.517
Disposals	(299.398.957)	(26.070.346)	(4.363.772)	(5.080.362)	-	(334.913.437)
Revaluation gain	592.330.189	-	-	-	-	592.330.189
Translation difference	-	-	(33.006.362)	(2.663.760)	-	(35.670.122)
Closing balance on 31 December 2022	**6.221.141.406**	**15.634.309**	**2.304.590.446**	**1.859.830.301**	**117.872.873**	**10.519.069.335**
Accumulated Depreciation:						
Opening balance as of 1 January 2022	(2.991.763.536)	(28.380.049)	(1.193.851.987)	(791.230.127)	-	(5.005.225.699)
Charge for the period	(436.025.515)	(5.236.375)	(241.441.794)	(180.963.113)	-	(863.666.797)
Disposals	192.734.721	20.237.357	4.524.055	3.452.452	-	220.948.585
Revaluation gain	(309.898.551)	-	-	-	-	(309.898.551)
Translation difference	-	-	10.085.702	757.911	-	10.843.613
Closing balance on 31 December 2022	**(3.544.952.881)**	**(13.379.067)**	**(1.420.684.024)**	**(967.982.877)**	**-**	**(5.946.998.849)**
Net Book Value	**2.676.188.525**	**2.255.242**	**883.906.422**	**891.847.424**	**117.872.873**	**4.572.070.486**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

The depreciation periods for property, plant and equipment are as follows:

	Useful Life
Machinery and equipment	5-25 years
Vehicles	4-5 years
Fixtures and furniture	3-10 years
Leasehold improvements	2-20 years

The Group has assessed each restaurant as a cash-generating unit (CGU) and performed an impairment test for each CGU and analysed the recoverable amount of the fixed assets of the restaurants. This impairment test was applied for leasehold improvements, machinery and equipment and fixtures and fittings. The recoverable amount of cash generating units is determined using cash flow projections extended from 5 years to 10 years.

For each CGU, the Group has recognised impairment only for leasehold improvements since the average useful life of leasehold improvements is approximately 10 years and other assets in restaurants can be transferred in case of closure of a restaurant. Therefore, the restaurant impairment analysis is based on 10-year cash flow projections and no terminal value is assumed. Impairment test is performed for the restaurants, each of which is a separate cash-generating units (NÜB), for which there is an indication of impairment.

Impairment and reversals are included in income and expenses from investing activities in the income statement (Note 21).

Fair value measurement of the Group's freehold land, buildings and machinery & equipment

In recent years, in order to appropriately reflect the impact of monetary devaluation on the book value of tangibles assets, the Management has decided to implement the revaluation model for tangible fixed assets, effective from December 31, 2019. Subsequently, revaluations were made as of December 31, 2021, 2022, and 2023. Fair value measurements as of December 31, 2023, were performed by Kale Taşınmaz Değerleme ve Danışmanlık A.Ş.., an independent appraisal company in Turkey with no relationship with the Group. The said valuation company is authorized by the CMB, provides real estate, plant, machinery and equipment appraisal services in accordance with capital markets legislation and has sufficient experience and qualification in fair value measurements.

The fair value of plant, machinery and equipment is determined as replacement cost by multiplying the initial purchase cost by the average increase in foreign currency and inflation index for the period between the acquisition date and the valuation date and then adjusted for accumulated depreciation, impairment and impairment, if any, based on the experience of the valuation experts.

As at 31 December 2023, information on the Group's plant, machinery and equipment and the fair value hierarchy of these assets are shown in the table below:

	Level 1	**Level 2**	**Level 3**
Machinery and Equipment	-	2.833.208.401	-
	-	**2.833.208.401**	**-**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

Tangible Fixed Assets	Valuation Techniques	Significant unobservable input(s)	Sensitivity
Plant, machinery and equipment	Cost Approach	Valuation expert's estimations and depreciation rates used in the valuation.	Valuation expert's judgement based on experience impacts the fair value of machinery and equipment. A change in ratio of foreign currencies and inflation index would result in an increase in fair value, and vice versa.

Fair values have been determined using cost approach methods. Valuations were done using a 50% foreign exchange rate and a 50% inflation index rate according to the cost method by valuation experts. For machinery and equipment, the increase in value in the amount of 262.561.489 TL within the year 2023 has been accounted for in other comprehensive income.

For fair value calculations of the revalued machinery and equipment;

Depreciation rates (*)	%5-%70
Scrap value rates	%5

(*) Represents the range of depreciation rates used for the majority of plants, machinery and equipment.

NOTE 10 - INTANGIBLE ASSETS

	Initial Franchise Fees	Rights and Licenses	Total
Cost:			
Opening balance as of 1 January 2023	438.492.404	405.740.557	844.232.961
Additions	16.238.953	69.707.579	85.946.532
Disposals	(251.240)	(88.873)	(340.113)
Currency translation differences	-	(34.934)	(34.934)
Closing balance as of 31 December 2023	**454.480.117**	**475.324.328**	**929.804.445**
Accumulated Amortization:			
Opening balance as of 1 January 2023	(138.662.065)	(162.735.534)	(301.397.599)
Charge for period	(15.610.589)	(31.141.492)	(46.752.081)
Disposals	92.121	88.873	180.994
Currency translation effects	-	2.704.590	2.704.590
Closing balance as of 31 December 2023	**(154.180.533)**	**(191.083.563)**	**(345.264.096)**
Net Book Value	**300.299.584**	**284.240.765**	**584.540.349**

Amortization amounts of 42.404.137 TL included in the cost of goods sold, and 4.347.944 TL is included in general administrative expenses (as of December 31, 2022: 39.990.396 TL) have been included in the cost of goods sold, and 4.100.449 TL in general administrative expenses) The Group's intangible assets consist of franchise opening fees paid for new restaurants, rights and licences. The amortisation period is 20 years for franchise opening fees and 2-20 years for licences.

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

NOTE 10 - INTANGIBLE ASSETS (cont'd)

	Initial Franchise Fees	Rights and Licenses	Total
Cost:			
Opening balance as of 1 January 2022	316.524.844	349.329.565	665.854.409
Additions	121.967.560	57.583.719	179.551.279
Currency translation effect	-	(1.172.727)	(1.172.727)
Closing balance as of 31 December 2022	**438.492.404**	**405.740.557**	**844.232.961**
Accumulated Amortization:			
Opening balance as of 1 January 2022	(123.621.830)	(134.051.532)	(257.673.362)
Charge for the period	(15.040.235)	(29.050.609)	(44.090.844)
Currency translation effect	-	366.607	366.607
Closing Balance As of 31 December 2022	**(138.662.065)**	**(162.735.534)**	**(301.397.599)**
Net Book Value	**299.830.339**	**243.005.023**	**542.835.362**

NOTE 11 - RIGHT OF USE ASSETS

	Restaurants	Property	Vehicles	Total
Cost:				
Opening balance as of 1 January 2023	5.260.790.089	23.223.720	39.887.548	5.323.901.357
Additions	1.559.084.083	9.600.634	-	1.568.684.717
Disposals	(314.292.684)	-	(371.482)	(314.664.166)
Currency translation effect	(121.268.735)	-	-	(121.268.735)
Closing balance as of 31 December 2023	**6.384.312.753**	**32.824.354**	**39.516.066**	**6.456.653.173**
Accumulated Amortization:				
Opening balance as of 1 January 2023	(1.726.581.115)	(8.573.583)	(9.207.204)	(1.744.361.902)
Charge for the period	(1.427.704.521)	(13.350.831)	(18.907.449)	(1.459.962.801)
Disposals	267.645.901	-	319.188	267.965.089
Currency translation effect	8.253.990	-	-	8.253.990
Closing balance as of 31 December 2023	**(2.878.385.745)**	**(21.924.414)**	**(27.795.465)**	**(2.928.105.624)**
Net Book Value	**3.505.927.008**	**10.899.940**	**11.720.601**	**3.528.547.549**

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

NOTE 11 - RIGHT OF USE ASSETS (cont'd)

	Restaurants	Property	Vehicles	Total
Cost:				
Opening balance as of 1 January 2022	3.518.385.455	17.904.927	157.660.624	3.693.951.006
Additions	2.795.934.616	12.954.755	113.922.093	2.922.811.464
Disposals	(1.014.918.308)	(7.635.962)	(231.613.990)	(1.254.168.260)
Currency translation effect	(38.611.676)	-	(81.179)	(38.692.855)
Closing balance as of 31 December 2022	**5.260.790.089**	**23.223.719**	**39.887.547**	**5.323.901.355**
Accumulated Amortization:				
Opening balance as of 1 January 2022	(1.674.004.283)	(6.027.003)	(45.989.850)	(1.726.021.136)
Charge for the period	(1.081.186.006)	(3.974.231)	(30.262.596)	(1.115.422.833)
Disposals	1.014.918.308	1.427.650	67.124.551	1.083.470.509
Currency translation effect	13.690.866	-	(79.309)	13.611.557
Closing balance as of 31 December 2022	**(1.726.581.115)**	**(8.573.583)**	**(9.207.204)**	**(1.744.361.902)**
Net Book Value	**3.534.208.974**	**14.650.136**	**30.680.343**	**3.579.539.453**

As of 31 December 2023, the weighted alternative borrowing rates applied to lease liabilities in the statement of financial position are 12,09% for TL (31 December 2022: 10,96%).

The Group's right of use assets consist of restaurants, buildings and vehicles. Average lease agreements are 6 years for restaurants, 3 years for buildings and 3 years for vehicles.

Accounted for in profit or loss	**1 January - 31 December 2023**	**1 January - 31 December 2022**
Depreciation expense on right-of use assets	1.459.962.801	1.115.422.833
Interest expense on lease liabilities	235.203.313	180.575.869
Finance income on lease liabilities	(48.910.084)	(210.107.043)
Foreign exchange losses on lease liabilities (net)	78.492.288	-
Expenses related to variable lease payments not included in the measurement of lease liabilities	1.197.074.575	949.383.989
Total	**2.921.822.893**	**2.035.275.648**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

NOTE 11 - RIGHT OF USE ASSETS (cont’d)

Some of the restaurant leases in which the Group is a lessee contain variable lease payment terms that depend on the sales generated from the leased stores. Variable payment terms are used to link lease payments to maintain cash flows and reduce fixed costs. The breakdown of lease payments for these stores is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Fixed payments	1.103.971.174	1.348.453.714
Variable payments	1.197.074.575	949.383.989
Total	**2.301.045.749**	**2.297.837.703**

The depreciation expense of 1.418.751.480 TL for the right of use assets is included in the cost of sales, and 41.211.321 TL is included in general administrative expenses (2022: 1.094.219.916 TL is included in the cost of goods sold, 21.202.917 TL is included in general administrative expenses).

As of December 31, 2023, the lease contracts of 1.002 restaurants owned by the Group have been included in the right-of-use asset calculation within the scope of TFRS 16.

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Litigation provisions:

	31 December 2023	31 December 2022
Litigation provisions	25.117.908	17.950.148
	25.117.908	**17.950.148**

The movement of provisions for litigation is as follows:

	2023	2022
Opening balance as of 1 January	17.950.148	17.012.947
Charged to expense	29.339.179	17.331.626
Litigation paid	(11.754.242)	(8.073.003)
Monetary gain	(10.417.177)	(8.321.422)
Closing balance as of 31 December	**25.117.908**	**17.950.148**

There are various ongoing lawsuits in favour of and against the Group. The Group Management evaluates the possible outcomes and financial impact of these lawsuits at the end of each period and as a result of this valuation, provisions are set aside against possible gains and liabilities as deemed necessary. As of 31 December 2023, there are ongoing lawsuits against the Group amounting to TL 28.684.621 (31 December 2022: TL 20.711.307). The Group Management has provided provision amounting to TL 25.117.908 (31 December 2022: TL 17.950.148) for the lawsuits for which cash outflow is considered probable.

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Guarantees, pledges and mortgages:

The guarantees mainly consist of letters of guarantee given to restaurant owners as rent deposits, for electricity, natural gas and water connections, and to public authorities as deposits. The majority of the balance consists of letters of guarantee given as rent deposits for restaurants and letters of guarantee given to tax authorities for a VAT refund. The number of letters of guarantee given as a rent deposit is 233.383.308 TL (31 December 2022: 133.521.643 TL).

31 December 2023

GPMs given by the Group (Guarantees - Pledges - Mortgages)	Total TL Equivalents	USD	GEL	Eur	TL
A. Given in the Name of Its Own Legal Entity Total amount of GPMs	*391.735.647*	*2.517.000*	-	*2.539.689*	*235.392.089*
- *Guarantees*	*391.735.647*	*2.517.000*	-	*2.539.689*	*235.392.089*
- *Pledges (*)*	-	-	-	-	-
- *Mortgages*	-	-	-	-	-
B. Included in the scope of full consolidation Given in favour of included companies GPM's given Total Amount	-	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-	-
Total	**391.735.647**	**2.517.000**	**-**	**2.539.689**	**235.392.089**

31 December 2022

GPMs given by the Group (Guarantees - Pledges - Mortgages)	Total TL Equivalents	USD	GEL	Eur	TL
A. Given in the Name of Its Own Legal Entity Total amount of GPMs	*332.576.934*	*891.000*	*1.000.000*	*2.626.299*	*125.879.974*
- *Guarantees*	*332.576.934*	*891.000*	*1.000.000*	*2.626.299*	*125.879.974*
-*Pledges (*)*	-	-	-	-	-
-*Mortgages*	-	-	-	-	-
B. Included in the scope of full consolidation Given in favour of included companies GPM's given Total Amount	-	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-	-
Total	**332.576.934**	**891.000**	**1.000.000**	**2.626.299**	**125.879.974**

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

c) Commitments:

Effective from 1 January 2019, the Group has entered into a long-term contract with a vendor for the supply of beverage products in its restaurants and the Group has entered into a commitment to purchase soft drink syrup in the amount specified in the contract at the prevailing market price in the relevant years starting from 1 January 2019. This commitment volume is not subject to any time limit.

d) Obligation from Material Contracts:

Master Franchise Development Agreement (MFDA)

The Group has entered into various MFDA with brands in Turkey which require the Group to open and, where necessary, remodel restaurants within a predetermined development plan. Failure to comply with the development targets contained in the MFDA may result in the termination of the Group's development rights, but the Group may at any time request renegotiation of the development terms with the franchisees and sign a new agreement regarding the change.

NOTE 13 - EMPLOYEE BENEFITS

a) Provisions related to employee benefits

	31 December 2023	31 December 2022
Payables to personnel (*)	168.209.963	168.389.526
Social security premiums payable	127.322.043	103.705.963
Income tax payable	24.020.686	25.164.207
	319.552.692	**297.259.696**

(*) Amount due to personnel represents salaries and wages accrued in the last month.

b) Provisions:

	31 December 2023	31 December 2022
Unused vacation provision	101.503.888	81.443.731
Retirement pay provision	100.256.880	91.417.210
	201.760.768	**172.860.941**

c) Unused vacation provision:

	2023	2022
Opening balance as of 1 January	81.443.731	74.029.211
Increase during the period	87.539.623	62.212.049
Paid during the period (-)	(19.477.380)	(17.856.486)
Monetary loss/gain	(48.002.086)	(36.941.043)
Closing balance at 31 December	**101.503.888**	**81.443.731**

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

NOTE 13 - EMPLOYEE BENEFITS (cont'd)

d) Retirement pay provision:

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men). Certain transitional provisions related to the pre-retirement service period have been excluded from the law due to the change in the related law as of 23 May 2002. Accordingly, the Group is required to make lump-sum termination indemnities to each employee who retired or terminated at the date of retirement. The payment depends on the number of years the individual has been employed by the Group.

The severance pay to be paid as of December 31, 2023, is subject to a cap of 23.498,83 TL per month (December 31, 2022: 15.371,40 TL).

Employment termination benefits are not legally subject to any funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as at 31 December 2023 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of 20,82% and an interest rate of 25,05%, resulting in a real discount rate of approximately 3.50% (31 December 2022: 3.50%). Voluntary termination rates are also taken into consideration as 10,04% for employees with 0-15 years of service and 0% for employees with 16 or more years of service. The maximum amount of TL 35.058,58 effective from 1 January 2024 has been taken into consideration in the calculation of the Group's provision for employment termination benefits (1 January 2023: TL 19.982,83).

	2023	**2022**
Opening balance as of 1 January	91.417.210	77.064.685
Service cost	147.328.035	156.663.371
Interest cost	2.538.704	2.000.933
Actuarial gain	3.219.327	(7.660.794)
Retirements benefits paid	(93.813.387)	(96.511.802)
Monetary loss/gain	(50.433.009)	(40.139.183)
Closing balance as of 31 December	**100.256.880**	**91.417.210**

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

NOTE 14 - OTHER ASSETS AND LIABILITIES

Other Current Assets	**31 December 2023**	**31 December 2022**
VAT carried forward	4.345.057	4.643.003
Other	14.401.735	27.840.956
	18.746.792	**32.483.959**

Other Non-Current Assets	**31 December 2023**	**31 December 2022**
Evacuation costs (*)	5.990.709	7.581.906
	5.990.709	**7.581.906**

(*) Evacuation costs consist of premiums paid to the previous tenant to exit the property to be leased and non-refundable deposits paid to the property owners to become a tenant in the relevant property at the beginning of the lease.

Short-Term Liabilities	**31 December 2023**	**31 December 2022**
VAT payable	70.944.892	52.267.554
Taxes and funds payable (*)	4.281.136	3.329.377
	75.226.028	**55.596.931**

Long-Term Liabilities	**31 December 2023**	**31 December 2022**
Social security premium payable (*)	-	39.356.102
	-	**39.356.102**

(*) Other taxes and funds consist of stamp taxes, withholding taxes and tax liabilities restructured with the tax amnesty law.

NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Short-Term Prepaid Expenses	**31 December 2023**	**31 December 2022**
Advances given (*)	825.091.508	233.510.970
Prepaid expenses	8.692.071	20.851.201
Advances given	603.025	581.917
Advances to personnel	-	402.609
	834.386.604	**255.346.697**

(*) The given order advances include 611.000.000 TL to Fasdat Gıda Dağıtım San. Tic. A.Ş. for construction expenses and operational equipment purchases related to the Group's restaurants, 118.817.209 TL to Ekur İnşaat San. Tic. A.Ş., 63.882.125 TL to Mes Mutfak Ekip. San. Tic. A. Ş., and 1.551.975 TL to ATP Ticari Bilgi Elk. Güç Kaynakları A.Ş. (31 December 2022: 131.118.601 TL was given to Ekur İnşaat San. Tic. A.Ş., and 90.096.468 TL was given to Mes Mutfak Ekip. San. Tic. A. Ş.).

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

NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES (cont'd)

Long Term Prepaid Expenses	31 December 2023	31 December 2022
Prepaid expenses	33.832.789	23.437.958
Order advances given (*)	-	21.328.979
	33.832.789	**44.766.937**

Short-Term Contract Liabilities	31 December 2023	31 December 2022
Advances received (*)	53.388.614	49.351.194
Advances from customers (**)	64.945.151	60.635.951
Non-refundable advances received (***)	54.019.646	35.617.859
	172.353.411	**145.605.004**

Long-Term Contract Liabilities	31 December 2023	31 December 2022
Advances from customers (**)	96.123.893	99.771.759
Non-refundable advances received (***)	86.695.796	136.430.892
	182.819.689	**236.202.651**

(*) Advances received mainly consist of advances received from franchises.
(**) Advances received from customers consist of contractual liabilities according to IFRS 15.
(***) The Group receives incentives from its suppliers for purchasing contracts entered by the Group with the supplier. Incentives received in advance are initially recognized as advances in the consolidated statement of financial position and deducted from the cost of purchase of inventories in the related period in which the related inventory is purchased from the supplier.

NOTE 16 - EQUITY

a) Equity:

The paid-in capital structure of the Group as of 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
TFI TAB Gıda Yatırımları A.Ş.	79.9%	208.792.000	100	232.417.000
Other	20.1%	52.500.000	-	-
Nominal Capital	**100**	**261.292.000**	**100**	**232.417.000**
Inflation adjustment		1.737.891.874		1.737.046.643
Adjusted Capital		**1.999.183.874**		**1.969.463.643**

"The Group's authorized and issued capital consists of 261.292.000 shares each with a registered nominal value of TL 1."

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

NOTE 16 – EQUITY (cont'd)

The statement related to the adjusted equity calculations, which the company has prepared in accordance with TMS 29, based on the Capital Market Board Bulletin published on March 7, 2024, is as follows:

	PPI Indexed Legal Records	CFI Indexed Records	Differences to be followed in retained earnings
Adjustments to share capital	1.266.688.636	1.737.891.874	(471.203.238)
Share premium	3.724.875.000	3.680.151.353	44.723.647

The statement related to the adjusted retained earning calculations, which the company has prepared in accordance with TMS 29, based on the Capital Market Board Bulletin published on March 7, 2024, is as follows:

Prior Year Profits	Pre-Inflation Amount	Post-Inflation Amount
1 January 2023	(431.900.696)	1.025.755.237
1 January 2022	(793.740.506)	(827.720.162)

b) Legal Reserves

The legal reserves represent restricted reserves appropriated from profit. The legal reserves consist of the first and second legal reserves appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum until the total reserve reaches 20% of historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

c) Analyses of Other Comprehensive Income Items

As of 31 December 2023 and 31 December 2022, revaluation measurement gains in accordance with TAS 16 and all actuarial gains and losses calculated in accordance with TAS 19, which are recognised in other comprehensive income, net of deferred tax effect are as follows:

Not to be reclassified to profit or loss	**31 December 2023**	**31 December 2022**
Gain on revaluation and measurement	500.997.092	238.435.603
Loss on remeasurement of defined benefit plans	3.714.140	6.128.635
	504.711.232	**244.564.238**

To be reclassified to profit or loss	**31 December 2023**	**31 December 2022**
Currency translation differences	12.306.878	(3.896.600)
	12.306.878	**(3.896.600)**

Foreign currency translation differences represent the translation differences arising on the settlement and translation at each reporting date of the entities' functional currencies other than TL.

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

NOTE 17 – REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2023	1 January - 31 December 2022
Restaurant sales	18.017.596.660	14.914.326.275
Franchise revenues	1.718.627.896	1.325.181.574
Sales to franchised restaurants	367.878.285	438.392.049
Other sales	26.139.410	18.935.004
Sales returns (-)	(142.214.956)	(84.706.375)
	19.988.027.295	**16.612.128.527**

The timing of the fulfilment of the performance obligation is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Fulfilment at a certain time	19.620.149.010	16.173.736.478
Fulfilment spread over time	367.878.285	438.392.049
	19.988.027.295	**16.612.128.527**

b) Cost of Sales

	1 January - 31 December 2023	1 January - 31 December 2022
Foods and materials used	(7.410.337.165)	(6.561.109.585)
Personnel expenses	(3.158.695.311)	(2.714.961.615)
General production cost (*)	(2.233.708.742)	(2.502.519.212)
Amortization expenses related with leases (Not 11)	(1.418.751.480)	(1.094.219.916)
Rent expenses	(1.193.878.228)	(946.909.144)
Amortization expenses (Not 9, 10)	(891.895.875)	(823.336.180)
Cost of sales to franchised restaurants	(173.294.494)	(232.471.667)
Cost of merchandise sold	(112.688.424)	(106.910.157)
	(16.593.249.719)	**(14.982.437.476)**

(*) Energy expenses, charges for delivery services and maintenance costs mainly consist of the general production cost.

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

NOTE 18 – GENERAL ADMINISTRATION AND SELLING AND DISTRIBUTION EXPENSES

a) General Administrative Expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	(252.010.393)	(200.259.362)
Depreciation expenses (Note 9, 10)	(91.451.286)	(84.421.461)
Financial and legal consultancy expenses	(77.909.038)	(54.978.351)
Depreciation expense on lease transactions (Note 11)	(41.211.321)	(21.202.917)
Maintenance and repair expenses	(22.968.105)	(14.580.040)
Electricity and fuel expenses	(13.061.025)	(11.608.171)
Insurance expenses	(8.683.492)	(8.139.886)
Travelling expenses	(7.546.104)	(7.846.327)
Duties, fees and other tax expenses	(6.952.493)	(5.703.504)
Litigation provisions (Note 12)	(5.201.729)	(9.572.323)
Rent expenses	(3.196.347)	(2.474.845)
Other	(35.934.436)	(42.338.175)
	(566.125.769)	**(463.125.362)**

NOTE 18 – SELLING AND DISTRIBUTION EXPENSES

b) Selling and Distribution Expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Marketing and advertising expenses	(909.388.842)	(788.070.219)
Commission expenses	(123.946.065)	(111.122.698)
Other	(5.276.192)	(4.480.131)
	(1.038.611.099)	**(903.673.048)**

NOTE 19 – EXPENSE BY NATURE

The details of depreciation, amortisation and depletion expenses by expense accounts are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of sales	(891.895.875)	(823.336.180)
General administrative expenses	(91.451.286)	(84.421.461)
	(983.347.161)	**(907.757.641)**

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

NOTE 19 – EXPENSE BY NATURE (Cont'd)

The breakdown of amortisation expenses related to rights of use by expense accounts is as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Cost of sales	(1.418.751.480)	(1.094.219.916)
General administrative expenses	(41.211.321)	(21.202.917)
	(1.459.962.801)	**(1.115.422.833)**

The details of personnel expenses by expense accounts are as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Cost of sales	(3.158.695.311)	(2.714.961.615)
General administrative expenses	(252.010.393)	(200.259.362)
	(3.410.705.704)	**(2.915.220.977)**

NOTE 20 – OTHER OPERATING INCOME AND EXPENSES

a) Other Operating Income

	1 January - 31 December 2023	**1 January - 31 December 2022**
Foreign currency gain on trade activities	213.050.512	430.201.248
Waste oil income (*)	47.974.103	64.966.497
Rediscount income	16.920.861	29.280.153
Income from payroll protocol	5.811.793	9.576.261
Trade receivables maturity difference income	1.649.690	867.253
Insurance income	-	1.793.713
Waived Doubtful Receivables (Not 6)	-	1.041.259
Collected Doubtful Receivables (Not 6)	-	445.785
Other	24.256.502	25.626.258
	309.663.461	**563.798.427**

(*) Revenues from waste oils sold abroad.

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

NOTE 20 – OTHER OPERATING INCOME AND EXPENSES (Cont'd)

b) Other Operating Expense

	1 January - 31 December 2023	1 January - 31 December 2022
Pre-opening and temporary closure expenses (*)	(171.254.428)	(112.536.669)
Foreign exchange losses on trade payables	(92.529.028)	(73.774.786)
Rediscount expenses	(36.700.349)	(18.923.832)
Bad debt expenses	(11.754.242)	(8.073.003)
Donations	(12.006.311)	-
Recovery contribution fee	(7.851.256)	(6.185.770)
Insurance damage expenses	(7.747.487)	(1.758.725)
Other	(60.023.540)	(10.007.031)
	(399.866.641)	**(231.259.816)**

(*) Pre-opening restaurant expenses directly consist of pre-opening costs for new restaurants. There is construction process to prepare the restaurant for operation. During this process, the Group has to pay rent for the restaurant, employ the personnel to work in the restaurant and provide training to these personnel. Rent expenses, personnel expenses and personnel training expenses are recognised in pre-opening expenses. In addition, rent, electricity, water and natural gas expenses of temporarily closed restaurants are included in pre-opening expenses.

NOTE 21 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	255.482.961	29.962.197
Participation fee income	48.002.548	-
Gain on sale of fixed assets	50.827.666	4.603.258
Insurance income from fixed asset adjustments (*)	68.077.467	-
Insurance income related to loss of profit (**)	34.038.734	-
Foreign exchange gains on investing activities	15.484.006	26.736
Other	-	481.400
	471.913.382	**35.073.591**

(*) Includes the amounts collected from the insurance company for the equipment and special costs of the damaged restaurants in the earthquake zone.

(**) Includes the amounts collected from the insurance company related to the loss of profit of the damaged restaurants in the earthquake zone.

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

NOTE 21 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

b) Expense from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Loss on sale of fixed assets	(57.667.027)	(110.954.546)
Closed restaurant expenses (*)	(5.291.764)	(11.465.054)
Foreign exchange expenses related to investment activities	(3.066.792)	-
	(66.025.583)	**(122.419.600)**

(*) Closing restaurant expenses consist of leasehold improvements and franchise opening payments of closed restaurants that were written off during the year but not impaired in prior years.

NOTE 22 – FINANCE INCOME AND FINANCE EXPENSES

a) Finance income

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income from payables to related parties	260.244.885	217.538.894
Interest income on lease liabilities	48.910.084	210.107.043
	309.154.969	**427.645.937**

b) Finance expense

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense (Note 4)	(274.397.432)	(381.593.226)
Foreign exchange losses on financial liabilities (Note 4)	(228.611.371)	(235.951.852)
Interest expenses on lease liabilities (Note 5)	(235.203.313)	(180.575.869)
Credit card commissions	(126.165.830)	(84.252.641)
Foreign exchange losses on lease liabilities (Note 5)	(78.492.288)	-
Letter of guarantee commissions	(9.046.950)	(5.902.487)
Other	(34.095.519)	(55.665.619)
	(986.012.703)	**(943.941.694)**

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

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current tax liability	**31 December 2023**	**31 December 2022**
Current corporate tax provision	292.908.808	84.625.283
Tax arising from legal indexation	-	7.875.201
Less: prepaid taxes and funds	(143.548.101)	(25.331.543)
	149.360.707	**51.418.539**

	1 January - 31 December 2023	**1 January - 31 December 2022**
Current tax expense	(292.908.808)	(84.625.283)
Deferred tax income	41.975.939	(37.012.211)
	(250.932.869)	**(121.637.494)**

Corporate tax

The Group is subject to corporate tax in Turkey. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the current period.

Corporate tax is payable on taxable corporate income, which is calculated by adding back non-deductible expenses to the tax base and deducting dividends received from resident companies, income not subject to tax and investment incentives used.

As of 31 December 2023, the statutory tax rate is 25% (31 December 2022: 23%).

In Turkey, advance tax is payable on a quarterly basis. Taxes are payable at the statutory corporate tax rate.

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income.

In Turkey, there is no definite and definitive reconciliation procedure for tax assessments. Companies file their tax returns between 1-25 April of the year following the close of the accounting period of the relevant year (between 1-25 of the fourth month following the close of the period for those with special accounting periods). These tax returns and the underlying accounting records can be reviewed and amended by the tax office within 5 years.

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

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

In addition to the tax liabilities of companies in Turkey, foreign subsidiaries and operations are also subject to corporate tax in their respective countries. This tax is recognised separately in current tax expense. The statutory tax rates applicable in the countries in which the Group operates are summarised below:

Countries	Corporate tax rate	Prepaid tax rate(%)
Turkish Republic of Northern Cyprus (TRNC) (*)	%10	%15
Macedonia	%10	%5
Georgia	%10	%5

(*) According to the corporate tax law in force in the TRNC, 10% corporate tax is paid on pre-tax income and 15% income tax withholding is levied on the remaining amount, whether or not the profit is distributed.

Income withholding tax

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. In Turkey, income tax withholding tax was applied as 10% for all companies between 24 April 2003 and 22 July 2006 and then increased to 15%. Dividends that are not distributed but capitalised are not subject to withholding tax.

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

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported under POA Financial Reporting Standards and its statutory tax financial statements.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% (2022: 23%).

The deferred tax asset and liabilities consist of the following:

	31 December 2023	31 December 2022
Revaluation and revaluation of property, plant and equipment depreciation / amortisation of intangible assets	284.357.966	539.256.431
Lease liabilities	420.763.807	81.032.178
Cancellation of social security premium	(5.479.263)	(23.244.794)
Provision for employment termination benefit (Note 13)	(25.064.220)	(18.283.442)
Provision for unused vacation (Note 13)	(25.375.972)	(16.288.746)
Contractual obligations	(17.111.490)	(50.066.260)
Litigation provisions (Note 12)	(6.279.477)	(3.590.030)
Provision for doubtful receivables	(63.320)	(185.505)
Trade receivables / payables rediscount (Net)	973.340	14.794.682
Other	(61.680.773)	(1.164.687)
	565.040.598	**522.259.827**

	31 December 2023	31 December 2022
Deferred tax assets	(167.388.629)	(145.055.372)
Deferred tax liabilities	732.429.227	667.315.199
	565.040.598	**522.259.827**

As of 31 December 2023 and 2022, the movement of deferred tax (asset)/liability for the periods ended are as follows:

	2023	2022
Opening balance as of 1 January	522.259.827	604.800.232
Accounted for in the income statement	41.975.939	(37.012.211)
Accounted under equity	804.832	(45.528.194)
Closing balance on 31 December	**565.040.598**	**522.259.827**

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

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

The reconciliation of total tax expense for the period to profit for the period is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit/(loss) before tax	2.708.721.498	1.975.112.893
Calculated tax (*)	(677.180.375)	(454.275.965)
- Legally unrecognised expenses	(43.351.828)	(25.966.487)
- Exemptions	132.622.896	-
- the effect of different tax rates	(11.162.674)	13.260.243
- Fixed asset valuation effect	654.844.690	296.055.288
- Monetary gain / loss	195.160.160	292.564.415
Tax provision in the income statement	**250.932.869**	**121.637.494**

(*) The legal tax rates in the countries in which the Group operates vary.

NOTE 24 – RELATED PARTY DISCLOSURES

The Group enters into various transactions with related parties in the ordinary course of business. The Group has a number of operational and financial relationships with its shareholders and companies owned by its shareholders. Receivables and payables from related parties arising from operational activities generally arise from the ordinary course of business. These transactions are as follows:

(1) Purchases from related parties: TAB Gıda supplies meat, bread, fresh vegetables and other fast food products for its restaurants through Fasdat Gıda. It purchases machinery and equipment from MES Mutfak. Ekur provides construction, renovation, refurbishment and project drawing services for TAB Gıda restaurants before restaurant openings. Marketing, promotion and advertising activities of TAB Gıda products are carried out by Reklam Üssü.

(2) Commissions received from related parties: TAB Gıda receives royalties on the turnover of related party franchise restaurants at a predetermined fixed rate.

(3) Other significant transactions with related parties: TAB Gıda receives information technology services related to cash registers in restaurants. In addition, information technology services and IT based operations of the Group are provided by ATP Yazılım ve Teknoloji A.Ş. TAB Gıda's takeaway service is provided by Ata Express Elektronik İletişim Tanıtım Pazarlama Dağıtım San. ve Tic. A.Ş.

(4) Short-term non-trade receivables from related parties: Consists of the money lent to TFI TAB Gıda Yatırımları A.Ş. by TAB Gıda.

Balances due from and due to related parties will be settled in cash and no collateral is received or given. No provision for doubtful receivables has been recognised in the current year for receivables from related parties. Transactions between the Company and its subsidiaries forming the Group are not disclosed in this note since they are eliminated on consolidation.

In 2023, the due date of trade receivables from related parties is on average 20 days (December 31, 2022: 29 days).

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

31 December 2023 **Balances with related parties**	**Trade Receivables** **Current**	**Trade Receivables** **Non-Current**	**Trade Payables** **Current**
Shareholder			
TFI TAB Gıda Yatırımları A.Ş.	-	-	(6.429.041)
Companies controlled by main shareholder			
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	-	(906.786.685)
Reklam Üssü San. ve Dış Tic. A.Ş.	-	-	(129.373.008)
Ekur Et Entegre San. ve Tic. A.Ş.	-	-	(2.213.502)
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	-	-	(118.909)
Seraş Servis Organizasyonları ve Ticaret A.Ş.	-	-	(843.010)
Bedela İnşaat ve Ticaret A.Ş.	-	-	(7.957)
Arbeta Turizm Org.ve Tic.A.Ş.	-	-	(1.100.321)
Ata Express Elektronik İletişim Tanıtım Paz.	258.658.194	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	72.340	-	(13.746)
Ata Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş.	4.938	-	(902.929)
Ata Gayrimenkul Geliştirme Yat.İnş.A.Ş.	-	-	(4.417.949)
Ata Portföy Yönetimi A.Ş.	12.513	-	-
Ata Holding A.Ş.	96.237	-	-
Other related parties			
Beray Gıda Bilişim Otomotiv San.Ve Tic.Ltd Şti.	372.128	-	-
FBB Gıda San. Tic. Ltd. Şti.	484.718	-	-
Tusem Gıda ve Turizm İşletmeleri Tic. Ltd. Şti.	476.486	-	-
Mapa Gıda ve Enerji İnş. Taah.San. Tic.Ltd.Şti.	-	-	(912.773)
Kınık Maden Suları A.Ş.	4.534.487	-	(4.804)
İntiba Gıda İmalat Ve Tic.Ltd.Şti.	142.494	-	-
Atador Gıda (Ant.Üç Kapılar BK) ve Tic.A.Ş.	106.725	-	-
Zenia Limited	-	-	(7.786.609)
	264.961.260	**-**	**(1.060.911.243)**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

31 December 2022 **Balances with related parties**	**Trade** **Receivables - current**	**Trade** **Receivables Non-Current**	**Trade Payables** **Current**
Shareholder			
TFI TAB Gıda Yatırımları A.Ş.	-	1.109.931.510	(4.668.101)
Companies controlled by main shareholder			
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	-	(977.005.514)
Reklam Üssü San. ve Dış Tic. A.Ş.	-	-	(134.103.729)
Ekur Et Entegre San. ve Tic. A.Ş.	19.252	-	(431.466)
Ekur İnşaat San.Tic.A.Ş.	-	-	(25.148.862)
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	-	-	(16.298.507)
Seraş Servis Organizasyonları ve Ticaret A.Ş.	-	-	(1.360.850)
Bedela İnşaat ve Ticaret A.Ş.	-	-	(21.445)
Arbeta Turizm Org.ve Tic.A.Ş.	-	-	(467.576)
Ata Express Elektronik İletişim Tanıtım Paz.	202.763.628	-	-
Atakey Patates Gıda San. ve Tic. A.Ş.	224.915	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	59.155	-	-
Ata Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş.	10.803	-	(757.960)
Ata Portföy Yönetimi A.Ş.	125	-	-
Other related parties			
Mng Kargo Yurtiçi ve Yurtdışı Taşımacılık A.Ş.	-	-	(291.552)
Ata Holding A.Ş.	65.374	-	-
	203.143.252	**1.109.931.510**	**(1.160.555.562)**

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

NOTE 24 – RELATED PARTY DISCLOSURES (cont'd)

31 December 2023 **Transaction with related parties**	**Purchases**	**Sales**	**Commission received**	**Rent expense**	**Rent income**	**Other income**	**Other expense**
Shareholder							
TFI TAB Gıda Yatırımları A.Ş.	(53.548.785)	238.821.321	-	-	-	-	(338.769)
Companies controlled by main shareholder							
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(6.435.292.008)	22.020.655	-	-	-	25.260.756	(4.022.741)
Ata Ekspress Elk. İlt. Tan. A.Ş.	(182.147.885)	3.182.924.025	-	(196.087)	-	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	(136.266)	406.221	-	-	-	-	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(715.129.153)	41.169212	1.326.045	-	69.253	-	(8.198.931)
ATP Yazılım ve Teknoloji A.Ş.	(263.210.465)	11.162.546	-	-	-	-	(6.128.733)
Seraş Servis Org. ve Ticaret A.Ş.	(8.339.920)	-	-	-	-	3.924	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(8.202.373)	56.208	-	(7.736.239)	-	-	-
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	(109.127)	36.037	-	-	-	-	-
Ata Portföy Yönetimi A.Ş.	-	90.759	-	-	-	33.581	-
Ata Holding A.Ş.	-	290.043	-	-	-	-	-
Bedela İnşaat ve Ticaret A.Ş.	(88.767)	-	-	(7.696.138)	-	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(6.180.534)	-	-	-	-	-	-
Ekur İnşaat Sanayi ve Tic. A.Ş.	(505.060.220)	3.409.224	5.498.965	-	4.811.725	35.882.487	-
Other related parties							
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	(64.444)	1.144.693	3.127.385	-	1.881.746,11	-	-
Mes Mutfak Ekp. Tic. A.Ş.	(586.111.989)	80.736.824	-	-	-	19.450.784	-
Ertuğ Reklam San.ve Tic. A.Ş	(737.738)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	(1.288.574)	3.360.812	12.017.727	-	6.932.943	-	-
Beray Bil. Mar. İnş. Ltd. Şti.	(2.367.705)	-	2.302339	-	1.204.171	-	-
Konuk Ağırlama Teknolojileri ve Uyg. A.Ş.	(40.518)	2.367.139	7.114.227	-	7.710.416	-	-
Sedko İnşaat ve Tic. .A.Ş.	(1.698.761)	-	-	-	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	(32.403.017)	577.849	-	-	-	-	-
Atakey Patates Gıda Sanayi ve Tic. A.Ş.	-	378.508	-	-	-	-	-
Zenia Limited	(42.788.207)		-	-	-	-	-
	(8.845.285.225)	**3.588.772.521**	**31.386.688**	**(15.628.464)**	**22.610.254**	**80.811.087**	**(18.350.405)**

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

NOTE 24 – RELATED PARTY DISCLOSURES (cont'd)

31 December 2022 **Transaction with related parties**	**Purchases**	**Sales**	**Commission received**	**Rent expense**	**Rent income**	**Other income**	**Other expense**
Shareholder							
TFI TAB Gıda Yatırımları A.Ş.	(41.153.033)	-	-	-	-	143.655.476	(173.012)
Companies controlled by main shareholder							
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(5.964.149.822)	21.521.508	1.030.096	(1.320.983)	-	5.437.238	-
Ata Ekspress Elk. İlt. Tan. A.Ş.	(126.002.332)	1.940.563.994	-	-	1.370.019	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	-	69.707	-	-	-	-	-
Ekur İnsaat San.Tic.A.Ş.	(331.920.380)	11.564.507	4.766.386	-	3.729.653	4.440.474	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(23.886.326)	764.383	5.120.032	-	1.831.342	39.441.367	(542.742.216)
Atp Ticari Bilgi. Elk.Güç Kay. A.Ş.	(151.990.439)	300.704	-	-	-	-	-
Seraş Servis Org. ve Ticaret A.Ş.	(8.612.531)	14.096	-	-	-	-	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(1.633.274)	73.970	-	(9.159.147)	-	-	-
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	(90.670)	6.596	-	-	-	-	-
Ata Portföy Yönetimi A.Ş.	-	56.095	-	-	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	464.511	-	-	-	-	-
Ata Holding A.Ş.	-	178.037	-	-	-	18.005	-
Bedela İnşaat ve Ticaret A.Ş.	-	-	-	(7.074.622)	-	22.244	-
Arbeta Turizm Org.ve Tic.A.Ş.	(5.154.697)	-	-	-	-	-	-
Other related parties	-	-	-	-	-	-	-
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	-	-	2.776.277	-	1.954.442	1.116.434	(1.323)
Mes Mutfak Ekp. Tic. A.Ş.	(452.161.461)	57.925.425	-	-	-	37.665.778	-
Ertuğ Reklam San.Vetic.A.Ş	(559.030)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	-	-	10.031.593	-	6.394.540	4.404.896	(627.887)
Beray Bil. Mar. İnş. Ltd. Şti.	-	-	1.935.775	-	1.140.047	1.149.179	(10.251)
Konuk Ağırlama Teknolojileri Ve Uyg. A.Ş.	-	-	5.080.684	-	5.666.079	5.187.685	(95.958)
Meteda Gıda Tur. San. Tic. Ltd. Şti.	(12.248.520)	-	-	-	-	-	-
Donna Giyim Sanayi ve Tic. A.Ş.	-	1.183	-	-	-	-	-
Sedko İnşaat ve Tic. .A.Ş.	-	-	-	(1.771.315)	-	-	-
Zenia Limited	(44.286.640)	-	-	-	-	-	-
	(7.163.849.155)	**2.033.504.716**	**30.740.843**	**(19.326.067)**	**22.086.122**	**242.538.776**	**(543.650.647**

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

NOTE 24 – RELATED PARTY DISCLOSURES (cont'd)

Advances given to related parties	**31 December 2023**	**31 December 2022**
Ekur İnşaat San. Tic. A.Ş.	118.817.210	131.118.601
Mes Mutfak Ekp. Tic. A.Ş.	63.882.126	90.096.468
Fasdat Gıda Dağ. San.ve Tic A.Ş.	611.000.000	-
Atp Ticari Bilgi. Elk. Güç Kaynakları A.Ş.	1.551.975	-
	795.251.311	**221.215.069**

Benefits provided to board members and senior management personnel are as follows:

	31 December 2023	**31 December 2022**
Salaries and other short-term benefits	18.041.394	13.189.962
	18.041.394	**13.189.962**

The Company consists of senior management and members of the Board of Directors. Benefits provided to senior executives include salaries, bonuses and health insurance.

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Financial risk management is carried out within the framework of policies approved by the Board of Directors of the Group. The majority of the members of the Group's Board of Directors consists of members from Kurdoğlu family. The Group's financial operations and risk assessment policies are managed centrally. Subsidiaries are administered as if they have a holding structure and risk assessment policies and procedures are centrally managed. The risk management policies of all these companies are disclosed as if they were within the Group holding structure.

In the normal course of business operations, the Group is exposed to various market risks such as fluctuations in exchange rates, interest rates, and raw material prices for products that are beyond its control, and these fluctuations may have a negative impact on financial assets and liabilities, future cash flows and profit. The Group's risk management program generally aims to minimize the effects of the financial market's uncertainty on the Group's financial performance.

The Group's main financial instruments are bank loans, leases, debt given to related parties, cash and short term deposits. The main purpose of these financial instruments is to generate financing for the Group's activities. The Group also has other various financial instruments resulting from its direct operations, such as trade payables and trade receivables.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The management develops and approves implementation policies to manage these risks.

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

a) Capital Risk Management

In capital management, the Group aims to increase its profit by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its operations.

The Group's capital structure includes debts, including loans described in Note 4, and equity items, including cash and cash equivalents described in Note 3, issued capital described in Note 16, reserves and retained earnings from the previous year.

The Group evaluates the risks associated with each capital class with the capital cost by upper management. The Group aims to keep the capital structure balanced through new debt acquisition or repayment of existing debt, as well as through dividend payments, new shares issuance, and share repurchases, based on the upper management's suggestions.

The Group's net debt and capital position is as follows:

	31 December 2023	**31 December 2022**
Total borrowings	92.781.164	2.224.299.029
Less: cash and cash equivalents	3.945.073.357	279.811.406
Net Debt	**(3.852.292.193)**	**1.944.487.623**
Total Equity	**9.679.897.203**	**3.235.886.518**

b) Financial Risk Factors

The risk management program is generally focused on minimizing the potential adverse effects of financial market uncertainty on the Group's financial performance.

The Group's risk management is carried out by a central finance department in line with policies approved by the Board of Directors. While providing services related to commercial activities, the Group's finance department is also responsible for ensuring regular access to domestic and foreign financial markets and monitoring the level and magnitude of financial risks related to the Group's activities.

b.1) Credit Risk Management

The risk of a financial loss to the Group due to a party to a financial instrument failing to meet its contractual obligations is defined as credit risk. The Group tries to reduce the credit risk by only conducting transactions with creditworthy parties and trying to obtain adequate collateral when possible. The credit risks that the Group is exposed to and the customers' credit ratings are continuously monitored.

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

b.1) Credit Risk Management (cont'd)

A large part of trade receivables are receivables from sub-franchisee companies. The credibility of sub-franchisee companies is determined by the analyses carried out on the financial structure by the franchise department and the credibility of the sub-franchisee company shareholders. In addition, during the sub-franchise agreement process, the Group requests the establishment of a credit limit with an intermediary financial institution for sub-franchisees. The credit limit is determined according to the commercial transaction volume of the sub-franchisee. According to these credit limit agreements, the Group can directly collect from financial institutions in case the receivable's due date is passed. The limit and collection risk are continuously reviewed by the Group's finance department. Also, the Group continuously conducts credit assessments about the financial status of sub-franchisees.

The total amount of credit limits opened as receivable collateral for sub-franchisees is TL 38.045.000 (31 December 2022: TL 28.818.273). The level of risks and collateral structure are constantly monitored by the Group Management.

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

31 December 2023	**Trade Receivables Related Party**	**Trade Receivables Other Party**	**Other Receivables Related Party**	**Other Receivables Other Party**	**Bank Deposits**	**Restricted Cash**
Maximum credit risk exposed (A+B+C+D+E)	**264.961.260**	**384.923.544**	**-**	**29.674.345**	**3.865.808.438**	**35.843.926**
- The part of maximum risk under guarantee with collateral	**-**	**-**	**-**	**-**	**-**	
A. Net book value of financial assets that are neither past due or impaired	264.961.260	384.923.544	-	29.674.345	3.865.808.438	35.843.926
B. Net book value of financial assets that are renegotiated	-	-	-	-	-	-
C. Carrying value of financial assets that past due but not impaired						
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets						
- Gross carrying amount	-	6.763.156	-	-	-	-
- Impairment	-	(6.763.156)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	
E. Off-balance sheet items with credit risk (-)	-	-	-	-	-	-

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

31 December 2022	**Trade Receivables Related Party**	**Trade Receivables Other Party**	**Other Receivables Related Party**	**Other Receivables Other Party**	**Bank Deposits**	**Restricted Cash**
Maximum credit risk exposed (A+B+C+D+E)	**203.143.252**	**360.854.017**	**1.109.931.510**	**32.919.294**	**212.379.295**	**27.425.228**
- The part of maximum risk under guarantee with collateral	**-**	**-**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due or impaired	203.143.252	360.854.017	1.109.931.510	32.919.294	212.379.295	27.425.228
B. Net book value of financial assets that are renegotiated	-	-	-	-	-	-
C. Carrying value of financial assets that past due but not impaired						
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets						
- Gross carrying amount	-	1.873.562	-	-	-	-
- Impairment	-	(1.873.562)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-	-	-

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

b.2) Market risk management

The Group's activities expose it to financial risks associated with changes in foreign exchange rates (b.3.1), interest rates (b.3.2) and commodity price risk (b.3.3).

The Group's policy for these market risks is to assess potential losses and their consolidated impact and to minimise the Group's exposure to market risks. The Group's overall risk management plan focuses on the uncertainty of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group management continuously assesses fluctuations in foreign currency exchange rates, interest rates and commodity prices.

b.3) Liquidity risk management

The Group manages liquidity risk by regularly monitoring forecast and actual cash flows with the treasury department and ensuring that sufficient funds and borrowing reserves are maintained by matching the maturities of financial assets and liabilities. To eliminate the risk of fund requirements, the Group has various credit lines with the most reputable financial institutions in Turkey. The Group currently has adequate credit lines and expects to keep these available credit lines available for utilisation and to renew existing credit balances as they fall due. The Group management believes that it will be able to obtain short-term financing as and when required. In addition, the Group has improved its credit lines and extended the terms of its trade payables.

Liquidity Risk Statement

The following table summarises the maturity profile of the Group's non-derivative financial liabilities. The table includes interest and principal amounts payable on the liabilities:

31 December 2023	Carrying value	Contractual cash flows	Less than 3 months	Between 3-12 months	1 year and over
Bank loans	92.781.164	96.004.220	68.314.094	27.690.126	-
Lease liabilities	2.036.905.058	2.340.022.155	220.836.262	662.508.786	1.456.677.107
Trade payables (Related parties included)	1.637.684.717	1.808.435.924	1.545.506.241	122.716.925	140.212.758
	3.767.370.939	**4.244.462.299**	**1.834.656.597**	**812.915.837**	**1.596.889.865**

31 December 2022	Carrying value	cash flows	Less than 3 months	Between 3-12 months	1 year and over
Bank loans	2.224.299.029	2.503.453.763	1.087.035.661	404.016.813	1.012.401.289
Lease liabilities	2.466.415.877	2.995.120.504	249.157.291	598.774.101	2.147.189.112
Trade payables (Related parties included)	1.798.004.590	1.795.659.478	736.279.146	898.851.939	160.528.393
	6.488.719.496	**7.294.233.745**	**2.072.472.098**	**1.901.642.853**	**3.320.118.794**

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

b.4) Foreign currency risk management

The Group is exposed to foreign exchange risk mainly due to fluctuations in US Dollar and Euro exchange rates. Foreign exchange risk is primarily related to bank borrowings and foreign currency-denominated receivables and payables. While the majority of the Group's long-term debt is denominated in USD, the Group generates its revenues and cash from operations in TL.

The Group Management periodically assesses market conditions and formulates a foreign currency strategy based on exchange rate expectations. The Group utilises TL and foreign currency-denominated borrowings and determines the rate based on the overall foreign currency strategy. Foreign currency-denominated assets and liabilities of monetary and non-monetary items are as follows:

	31 December 2023		
	Total TL Equivalents	**USD**	**EUR**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	48.497.030	1.503.220	122.916
2b. Non Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current Assets	**48.497.030**	**1.503.220**	**122.916**
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	5.658.617	151.515	36.786
6b. Non Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	**5.658.617**	**151.515**	**36.786**
9. Total Assets (4+8)	**54.155.647**	**1.654.735**	**159.702**
10. Trade Payables	134.846.897	4.511.789	54.803
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	-	-	-
12b. Other Non Monetary Liabilities	32.633	-	1.000
13. Short Term Liabilities	**134.879.530**	**4.511.789**	**55.803**
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non Monetary Liabilities	-	-	-
17. Long Term Liabilities	-	-	-
18. Total Liabilities (13+17)	**134.879.530**	**4.511.789**	**55.803**
19. Net Foreign Exchange Asset / Liability) Position (9-18)	**(80.723.883)**	**(2.857.054)**	**103.899**
20. Net Monetary Items Foreign Exchange Asset /(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(80.723.883)**	**(2.857.054)**	**103.899**

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

	31 December 2022		
	Total Equivalents	**USD**	**EUR**
1. Trade Receivables	4.005.266	130.000	**-**
2a. Monetary Financial Assets	14.529.888	385.912	80.373
2b. Non Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current Assets	**18.535.154**	**515.912**	**80.373**
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	4.828.314	156.714	-
6b. Non Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	**4.828.314**	**156.714**	**-**
9. Total Assets (4+8)	**23.363.468**	**672.626**	**80.373**
10. Trade Payables	135.775.610	4.350.983	45.018
11. Financial Liabilities	308.416.632	-	9.372.523
12a. Other Monetary Liabilities	-	-	-
12b. Other Non Monetary Liabilities	32.907	-	1.000
13. Short Term Liabilities	**444.225.149**	**4.350.983**	**9.418.541**
14. Trade Payables	-	-	-
15. Financial Liabilities	334.265.792	-	10.158.057
16a. Other Monetary Liabilities	-	-	-
16b. Other Non Monetary Liabilities	-	-	-
17. Long Term Liabilities	**334.265.792**	**-**	**10.158.057**
18. Total Liabilities (13+17)	**778.490.941**	**4.350.983**	**19.576.598**
19. Net Foreign Exchange Asset / Liability) Position (9-18)	**(755.127.473)**	**(3.678.357)**	**(19.496.225)**
20. Net Monetary Items Foreign Exchange Asset /(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(755.094.566)**	**(3.678.357)**	**(19.495.225)**

	31 December 2023		31 December 2022	
	Appreciation of Foreign Currency	**Devaluation of Foreign Currency**	**Appreciation of Foreign Currency**	**Devaluation of Foreign Currency**
In case of 10% change in USD against TRY	(8.410.653)	8.410.653	(11.357.079)	11.357.079
In case of 10% change in EUR against TRY	(338.440)	338.440	(64.155.667)	64.155.667
Total	**(8.749.093)**	**8.749.093**	**(75.512.746)**	**75.512.746**

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

Foreign currency sensitivity

The above table details the Group's sensitivity to a 10% (31 December 2022: 10%) increase and decrease in USD and EUR exchange rates. 10% (31 December 2022: 10%) is the sensitivity rate used when reporting foreign currency risk to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items at year-end and adjusts their translation at year-end for a 10% (31 December 2022: 10%) change in foreign exchange rates. A negative value represents the decrease in income before tax arising from a 10% (31 December 2022: 10%) increase in USD and EUR against TL.

b.5) Interest risk management

The Group's borrowings at variable interest rates expose the Group to potential interest rate risk. The Group generally enters into fixed rate interest rate contracts to hedge its exposure to interest rate risk arising from changes in interest rates. Risk management strategies are regularly evaluated according to market conditions and interest rate expectations. The risk management strategy aims to develop the most appropriate interest rate risk management for the balance sheet position and interest expenses.

Interest rate sensitivity

The Group's interest rate sensitive financial instruments are as follows:

Fixed Interest Rate	**2023**	**2022**
Bank loans	36.920.167	935.182.961

Floating Rate Financial Instruments	**2023**	**2022**
Bank loans	59.084.053	874.356.659

b.6) Commodity price risk

The Group is exposed to price risk due to fluctuations in food prices. The Group purchases large quantities of food and supplies. Weather fluctuations alter supply and demand trends, and economic conditions can adversely affect the cost, condition and quality of critical products such as meat. Failure to obtain high-quality ingredients in the required quantities may adversely affect the Group's ability to provide menus and the Group may not be able to pass on rising costs to its customers due to the highly competitive nature of the industry.

The Group supplies foodstuffs to Fasdat Gıda Dağıtım San. Tic. A.Ş. ("Fasdat"), a related party. Fasdat purchases large quantities of meat for its operations. The meat sector is subject to significant price fluctuations due to seasonal changes, government regulations, demand in the sector and other factors. The Group manages the price risk arising from foodstuffs through agreements with Fasdat that fix the price for certain products. Fasdat can fix prices for meat, chicken, potatoes and soft drinks for up to one year through purchase contracts. This allows the Group to avoid the costs of using derivative instruments, which it cannot pass on to its customers due to the competitive nature of the Quick Service Restaurants (QSR) industry while ensuring cost predictability.

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

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

31 December 2023	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Fair value (*)	Notes
Financial assets				
Cash and cash equivalents	3.945.073.357	-	3.945.073.357	3
Trade receivables (including related parties)	649.884.804	-	649.884.804	6
Other receivables (including related parties)	29.674.345	-	29.674.345	7
Financial liabilities				
Bank loans	-	92.781.164	96.004.220	4
Trade receivables (including related parties)	-	1.637.684.717	1.637.684.717	6
Lease liabilities	-	2.036.905.058	2.036.905.058	5
Other receivables (including related parties)	-	811.557	811.557	7

31 December 2022	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Fair value (*)	Notes
Financial assets				
Cash and cash equivalents	279.811.406	-	279.811.406	3
Trade receivables (including related parties)	563.997.268	-	563.997.268	6
Other receivables (including related parties)	1.142.850.804	-	1.142.850.804	7
Financial liabilities				
Bank loans	-	2.224.299.029	1.522.712.938	4
Trade receivables (including related parties)	-	1.798.004.590	1.798.004.590	6
Lease liabilities	-	2.466.415.877	2.466.415.877	5
Other receivables (including related parties)	-	890.060	890.060	7

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

NOTE 26 – SHARE BASED PAYMENTS

The calculation of earnings per share and diluted earnings per share attributable to equity holders of the parent company are as follows:

	2023	**2022**
Net profit/(loss) attributable to equity holders of the parent company	2.457.788.629	1.853.475.399
Weighted average number of shares outstanding during the period	237.638.233	53.786.863
Earnings / (loss) per share	**10,34**	**34,46**

NOTE 27 – INDEPENDENT AUDITORS' FEE

Fees for services received from independent auditor/independent audit firm The Group's explanation regarding the fees for the services provided by independent audit firms, prepared in accordance with the Board Decision of POA published in the Official Gazette dated 30 March 2021 and based on the POA letter dated 19 August 2021, is as follows:

	2023	**2022**
Independent auditor's fee	7.193.305	3.543.764
Other assurance services fee	255.717	175.576
	7.449.022	**3.719.340**