

**ATAKEY PATATES**  
**GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**BOARD OF DIRECTORS ACTIVITY REPORT**  
**as of 30.09.2024**





## CONTENTS

1- GENERAL INFORMATION.....	2
2- OVERVIEW OF THE COMPANY AND SUMMARY OF OPERATING SECTOR.....	9
3- FINANCIAL RIGHTS GRANTED TO MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGERS .....	11
4- RESEARCH AND DEVELOPMENT EXPENSES OF THE COMPANY .....	11
5- COMPANY ACTIVITIES AND RELATED KEY DEVELOPMENTS.....	12
6- FINANCIAL STATUS .....	14
7- RISKS AND EVALUATION OF GOVERNING BODY: .....	15
8- DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES.....	16
9- ADDITIONAL INFORMATION ON THE PARENT COMPANY OF THE GROUP .....	16
10- MISCELLANEOUS.....	17



## 1- GENERAL INFORMATION

a) **Report Accounting Period:** January 1, 2024–September 30, 2024  
**Report Date:** 30.10.2024

b) **Company Name:** ATAKEY PATATES GIDA SANAYİ VE TİCARET ANONİM ŞİRKETİ  
**Trade Registry No:** 834873  
**Headquarters Address:** Emirhan Cad. No: 109 Kat: 11 Balmumcu/Beşiktaş/Istanbul  
**Contact Information:** Phone No: +90 (212) 310 66 00 Fax No: +90 (212) 236 56 45  
**Web Address:** [www.atakey.com.tr/en/](http://www.atakey.com.tr/en/)  
**Email Address:** yatirimciiliskileri@atakey.com.tr

c) **Organizational Structure:**

**Company Capital:** 138,768,000 Turkish lira

**Shareholding Structure:** The company shareholding structure as of September 30, 2024, is as follows:

	30-Sep-2024		31-Dec-2023	
	Share ( % )	TL	Share ( % )	TL
TFI TAB Gıda Yatırımları A.Ş.	79.7	110,544,000	79.7	110,544,000
Publicly Traded	20.3	28,224,000	20.3	28,224,000
<b>Total Capital</b>	<b>100</b>	<b>138,768,000</b>	<b>100</b>	<b>138,768,000</b>

d) **Preferred Share Amount (if applicable):**

Group A shares with a nominal value worth 20,000,000 TL, corresponding to 14.4 percent of company capital, are registered and privileged,  
The Group A preferred shares grant the privilege of nominating and voting for the board of directors, All Group A registered preferred shares are owned by TFI Tab Gıda Yatırımları A.Ş.

### **Board of Directors Nomination Privilege**

Half of the Board of Directors will consist of candidates nominated by the Group A shareholders in compliance with the requirements set forth in the Turkish Commercial Code (TCC) and the Capital Markets Board of Türkiye (CMB), If half of the number of Board of Directors members is a fractional value, the fraction will be rounded down to the nearest whole number.

### **Voting Privilege**

During General Assembly meetings, shareholders or their proxies will be entitled to five (5) votes for each Group A share and one (1) vote for each Group B share, voting process follows the Capital Market legislation.

d) **Board Members and Committees**



## Operating Principles of the Board of Directors

Board members and their terms are determined during General Assembly meetings, The Board of Directors operate transparently, accountably, fairly, and responsibly. It is essential that the Board of Directors convene as often as necessary to efficiently perform their duties.

At the General Assembly held on December 29, 2023, six members including independents, were appointed to the Board of Directors for a three-year term. There was no loss of independence at the reporting dates between 01.01.2024-30.09.2024. The Board of Directors held 22 meetings and took a total of 22 decisions during the same period.

The format of meetings, resolutions, meeting requirements, voting process, and the duties and responsibilities of the Board of Directors are governed by the pertinent provisions outlined in the Articles of Association (AoA), the TCC, and CMB regulations.

## Organization and Formation of the Board of Directors

The Board Members and their qualifications are listed below.

Name	Board Duty	The Last General Assembly Date of Nomination	The First Date of Duty	Executive Duty Status	Independent Member Status
Erhan KURDOĞLU	Chairman	29.12.2023	21.09.2012	Non-Executive	-
Korhan KURDOĞLU	Vice-Chairman	29.12.2023	21.09.2012	Non-Executive	-
Erhan CANSU	Board Member	29.12.2023	21.09.2012	Executive	-
M. Furkan ÜNAL	Board Member	29.12.2023	04.04.2023	Non-Executive	-
Ayşe Ayşin IŞIKGECE	Board Member	29.12.2023	29.12.2023	Non-Executive	Independent Member
Halil Doğan BOLAK	Board Member	29.12.2023	29.12.2023	Non-Executive	Independent Member



## **Erhan KURDOĞLU**

### **Chairman**

Erhan Kurdoğlu is the Chairman of the Board and is a Founding Member and Chairman of TFI TAB Gıda.

His career began in 1987 as a General Coordinator at Ata İnşaat San. ve Tic. A.Ş. and in 1993, he founded Ekur İnşaat Sanayi ve Ticaret A.Ş. Subsequently, in 1994, Kurdoğlu established TAB Gıda, which later acquired the rights to Burger King in Türkiye in 1995, Kurdoğlu is a graduate of the Faculty of Civil Engineering at the University of Miami.

Other companies where he serves include: TAB Gıda Sanayi ve Ticaret A.Ş., Reklam Üssü Reklam Ajansı Prodüksiyon Danışmanlık Organizasyon Sanayi ve Dış Ticaret A.Ş., Fasdat Gıda Dağıtım Sanayi ve Ticaret A.Ş., Ekur Et Entegre Sanayi ve Ticaret A.Ş., Ekmek Unlu Gıda Sanayi ve Ticaret A.Ş., TFI TAB Gıda – Mes Mutfak Ekip. San. ve Serv. Hizm. Tic. A.Ş., Ata Portföy Yönetimi A.Ş., Işık Ata Turizm ve Tic. A.Ş., Ata GYO A.Ş., Ekur İnşaat San. ve Tic. A.Ş., Ata Holding A.Ş., ATP Ticari Bilgisayar Ağı ve Elektrik Güç Kaynakları Üretim Pazarlama ve Tic. A.Ş., Ata Gayrimenkul Geliştirme Yat. A.Ş., Bedela İnşaat ve Tic. A.Ş., Entegre Harç San. A.Ş., Donna Giyim San. A.Ş., Seri İnşaat ve Tic. A.Ş., Ata Sancak, Kurdoğlu İnşaat Tur. Tic. A.Ş., İzmir Enternasyonal Otelcilik A.Ş., Ata İnşaat San. ve Tic. A.Ş., Ata Express, Fasdat Sebze, Yamata İnşaat Sanayi ve Ticaret A.Ş., Pangea Foods SPC (Cayman-based), Pangea Foods China Holdings Ltd, (Cayman-based), Pangea Foods China Intermediate Ltd, TFI Asia Holdings Coöperatief U.A., TFI Asia Holdings B.V.

## **Korhan KURDOĞLU**

### **Vice-Chairman**

Korhan Kurdoğlu is the Vice-Chairman of the Board of Directors, He is also a Founding Member and Founding Partner of TFI TAB Gıda.

Kurdoğlu is the Chairman of the Turkish-Chinese Business Council of the Foreign Economic Relations Board of Türkiye (DEIK) and the President of the Chinese Network of Turkish Industry and Business Association (TUSIAD). Korhan Kurdoğlu graduated from the Faculty of Civil Engineering at the University of Miami in 1987 and obtained his master's degree in international relations from Columbia University.

Other companies where he serves include: Ata Holding A.Ş., ATP Ticari Bilgisayar Ağı ve Elektrik ve Güç Kaynakları Üretim Pazarlama ve Ticaret Anonim Şirketi, Ata Gayrimenkul Geliştirme Yatırım ve İnşaat Anonim Şirketi, Entegre Harç Sanayi ve Ticaret A.Ş., Ata İnşaat San. ve Tic. A.Ş., Ata Express Elektronik İletişim Tanıtım Pazarlama Dağıtım Sanayi ve Ticaret Anonim Şirketi, Arbeta Turizm Organizasyon ve Ticaret A.Ş., Yamata İnşaat Sanayi ve Ticaret Anonim Şirketi, Bedela İnşaat ve Tic. A.Ş., Entegre Harç Sanayi ve Ticaret A.Ş., Donna Giyim Sanayi ve Ticaret A.Ş., Seri İnşaat ve Tic. A.Ş., Kurdoğlu İnşaat Turizm Ticaret Anonim Şirketi, İzmir Enternasyonal Otelcilik A.Ş., Ata İnşaat San. ve Tic. A.Ş., Işık Ata Turizm ve Ticaret Anonim Şirketi, Ata Gayrimenkul Yatırım Ortaklığı Anonim Şirketi, TAB Gıda Sanayi ve Ticaret A.Ş., Reklam Üssü Reklam Ajansı Prodüksiyon Danışmanlık Organizasyon Sanayi ve Dış Ticaret A.Ş., Fasdat Gıda Dağıtım Sanayi ve Ticaret A.Ş., Ekur Et Entegre Sanayi ve Ticaret A.Ş., Ekmek Unlu Gıda Sanayi ve Ticaret A.Ş., TFI Tab Gıda Yatırımları A.Ş., Fasdat Sebze Doğrama Paketleme Sanayi ve Ticaret A.Ş., Ekur İnşaat San. ve Tic. A.Ş., Mes Mutfak Ekip. San. ve Serv. Hizm. Tic. A.Ş., Pangea Foods SPC, Pangea Foods China Holdings Ltd, Pangea Foods China Intermediate Ltd, TFI Asia Holdings Coöperatief U.A.



### **Erhan CANSU** **Board Member**

Erhan Cansu has been serving on the Board of Directors of AtaKey Patates Gıda San. ve Tic. A.Ş. since 2012.

He has also served on the Board of TFI since 2016 and had seven years of experience in the field of building automation at Alarko Sanayi ve Ticaret A.Ş. prior to joining the Group, Erhan Cansu has supervised the establishment of four food production facilities since joining the Group. Cansu holds a degree in Electrical Engineering from Istanbul Technical University, as well as an International Management Program certification (with Honors) from the Istanbul University Institute of Business Economics.

Other companies where he serves include: Ekmek Unlu Gıda Sanayi ve Ticaret A.Ş., Ekur Et Entegre Sanayi ve Ticaret A.Ş., TFI Tab Gıda Yatırımları A.Ş., Ekur İnşaat Sanayi ve Ticaret A.Ş., and MES Mutfak Ekipmanları A.Ş.

### **M. Furkan ÜNAL** **Board Member**

Furkan Ünal has been serving on the Board of Directors of AtaKey since April 2023. He has also served as the Group CFO at TFI TAB Gıda since December 2022.

Prior to his position at TFI TAB Gıda, Furkan Ünal served as the CFO at Kardemir for five years, as the Deputy General Manager for Corporate Funding and Investments and as Executive Board Member at Aktifbank, and as the Chief Advisor to the Board of Directors of TAIB Bank, a Dubai Group company.

Furkan Ünal still acts as an Independent Board Member to two different banks in Albania and Kazakhstan, and as an Advisory Board Member at a NASDAQ-listed company.

Following an undergraduate program in engineering, Ünal obtained an MBA in Finance from Bilgi University, where he is currently pursuing a doctorate.

### **Ayşe Ayşin IŞIKGECE** **Independent Board Member**

Ayşe Ayşin Işıkgece joined AtaKey in December 2023 as an Independent Board Member.

Işıkgece began her career as a Purchasing Assistant at GIMA A.Ş. before becoming the Purchasing Group Manager for Fresh Produce at Metro Cash & Carry. She served as an Executive Board Member and led the Fresh Food + FMCG Product Group Purchasing and Category Management Department at CarrefourSA from 2016 until 2018, at which point she was appointed Chairperson of the Board at the General Directorate of Agricultural Enterprises (TIGEM).

Ayşe Ayşin Işıkgece served as the Deputy Minister of Agriculture and Forestry from January 2021 to April 2022. She currently works as a Freelance Consultant to the Private Sector and NGOs, as a Strategic Consultant to a Board Member and as a Start-Up mentor.

Throughout her career, Işıkgece developed a range of awareness projects to back small-scale producers and sustainable agriculture including “Geographical Indication Products”, “If There Are Bees, There Is Life” and “Yerli Tohum, Taze Mahsul (Local Seed, Fresh Produce)”.



## **Halil Doğan BOLAK**

### **Independent Board Member**

Halil Doğan Bolak joined AtaKey in December 2023 as an Independent Board Member.

He graduated from Robert College of Istanbul in 1979 and earned his Bachelor's degree in Optical Engineering in 1983 from The Institute of Optics in the Hajim School of Engineering and Applied Sciences at the University of Rochester. He completed his MBA in Quantitative Finance and Information Systems for Management, earning the "Beta Gamma Sigma" distinction, at the Simon Business School at the University of Rochester in 1985.

Between 1985 and 1999, Bolak held diverse technical, operational, and general management positions as a third-generation family member at the family-owned Türkipetrol Group, Bolak played a key role in the development and subsequently served as the General Manager of a prominent marketable securities and banking software company in Türkiye. From 2013 to 2023, he acted as the founding partner and Chief Technology Officer (CTO) of Invstr, a London-based fintech offering individual investment services.

Additionally, he served as a Senior M&A Consultant at Italy's leading investment bank, Mediobanca S.p.A., from 2013 to 2016. Bolak currently holds the position of founding partner at B4YO ([www.b4yocapital.com](http://www.b4yocapital.com)), an early-stage venture capital firm in Türkiye focused on investing in startups where the partners' experience, expertise, and network provide a significant advantage, B4YO manages a Turkish Venture Capital Investment Fund supported by 40 investors and has thus far conducted seven investments.

Bolak serves as a Board of Trustees Member at the Turkish Educational Foundation, an Executive Board of Trustees Member at the Türkipetrol Foundation, and a Member of the Meeting Council of Galatasaray Sports Club.





## Assessment of the Board of Directors Regarding the Operational Principles and Efficacy of Committees

The Company's Board of Directors resolved on January 24, 2024:

In compliance with the provisions of the Capital Market Law No, 6362, the TCC No, 6102, the CMB Communiqué on Corporate Governance (II-17,1), and the Corporate Governance Principles therein, and the relevant regulations of the CMB;

To establish an Audit Committee, a Corporate Governance Committee, and an Early Detection of Risk Committee and to approve the working principles of these committees and to assign committee chairman and members.

At the Board of Directors meeting of our Company dated 21.08.2024, there has been a change in the Investor Relations Department Director.

The status of the committees and committee members reporting to the Board of Directors as of the publication date of the report is as follows:

### Corporate Governance Committee

Committee Member	Committee Duty	Title of Member
Ayşe Ayşin IŞIKGECE	Chairman	Independet Board Member
Erhan CANSU	Member	Board Member
M. Furkan ÜNAL	Member	Board Member
Fulden PEHLİVAN	Member	Investor Relations Director

### Audit Committee

Committee Member	Committee Duty	Title of Member
Halil Doğan BOLAK	Chairman	Board Member
Ayşe Ayşin IŞIKGECE	Member	Board Member

### Early Detection of Risk Committee

Committee Member	Committee Duty	Title of Member
Halil Doğan BOLAK	Chairman	Independet Board Member
Erhan CANSU	Member	Board Member
M. Furkan ÜNAL	Member	Board Member





### Corporate Governance Committee

The Corporate Governance Committee is instituted to evaluate the implementation of corporate governance principles within the Company. In cases where adherence is lacking, it investigates the underlying reasons for non-compliance and identifies potential conflicts of interest. It also provides recommendations to the Board of Directors to enhance corporate governance practices and oversees the activities of the Investor Relations Department.

Due to the structure of the Company's Board of Directors, separate Nomination and Remuneration Committees have not been established. Therefore, the Corporate Governance Committee will also assume the responsibilities of the Nomination and Remuneration Committees in accordance with the Corporate Governance Principles.

The Corporate Governance Committee meets at least four times quarterly and the meeting results are reported to the Board of Directors. The Committee's decisions serve as advisory recommendations to the Board of Directors, which retains the ultimate authority in making decisions on relevant matters.

### Early Detection of Risk Committee

The Early Detection of Risk Committee is formed to proactively identify any risks that could jeopardize the Company's stability, growth, and advancement. Its mandate includes implementing necessary precautions and effectively managing the risks once identified. The Committee meets at least four times quarterly and the meeting results are reported to the Board of Directors. The Committee's decisions serve as advisory recommendations to the Board of Directors, which retains the ultimate authority in making decisions on relevant matters. The Committee updates the Board of Directors on all developments falling under its authority and responsibility.

### Audit Committee

The Audit Committee oversees the Company's accounting system, the disclosure of financial information to the public and their independent audits. Additionally, it supervises the proper functioning and effectiveness of the Company's internal audit and control systems.

### Senior management\*:

The appointment of the Executive Board was made with the decision of the Board of Directors dated 12.03.2024. Names and roles of Company senior management are listed below.

Name	Duty at Executive Board	Title
Ahmet ÖZGÜL	Chairman	Assistant General Manager
Suat AÇIKBAŞ	Vice-Chairman	Assistant General Manager
Hakan ÇELLİK	Vice-Chairman	Plant Manger

**Number of personnel:** The average number of employees for the period ending September 30, 2024, was 219, (December 31, 2023: 229)



- e) If applicable: information about the transactions made by the members of the governing body with the company on their own behalf or on behalf of others upon permissions granted by the Company General Assembly, and information on the activities that fall under the non-competition rule, If any, explain:

There is none.

## 2- OVERVIEW OF THE COMPANY AND SUMMARY OF OPERATING SECTOR

### History

The Company was established on September 21, 2012, under the title AtaKey Patates Gıda Sanayi ve Ticaret A.Ş., with a capital of 8,000,000 Turkish lira corresponding to 8,000,000 shares. The Company was established by Erhan Kurdoğlu, Korhan Kurdoğlu, Tuna Kurdoğlu, Murat Özgörkey, and Selim Özgörkey, The AoA was registered on September 21, 2012, and was published in the Turkish Trade Registry Gazette No, 8162, dated September 27, 2012.

The Company commenced construction of production facilities in Susuz Municipality of Afyonkarahisar at the beginning of 2013, and within an 11-month period, completed all construction, mechanical, and electrical works, as well as assembly and commissioning of equipment. The Company initiated production in early February 2014, manufacturing “saleable” products and commencing dispatch and sales operations. The Company supplies french fries to TFI TAB Gıda restaurants and exports frozen and deep-frozen potatoes for frying to cater to the potato product needs of TFI TAB Gıda's HSR China operations.

The Company's potato production facility occupies a 168,000-square-meter site and has an annual production capacity of 90,000 metric tons of seasoned potatoes for frying. The Company also has a raw material warehouse on a 30,000-square-meter site and a 15,000-square-meter cold storage room. During the season, around 200 workers harvest crops across nearly 40 square kilometers of agricultural land spanning 23 different cities. The Company supplies farmers with seeds and fertilizer to maintain consistency and quality in potato production at the source.

In 2014, Erhan Kurdoğlu, Korhan Kurdoğlu, and Tuna Kurdoğlu transferred their shares to TFI Tab Gıda, Consequently, TFI TAB Gıda acquired 50 percent ownership of the Company.

After the initial investments, additional mechanical cutting lines were installed in 2014 and 2015 to complement the waterjet-cutting lines. This investment expanded the product range to include items suitable for mechanical cutting. In 2015, as part of a strategic decision, S1 seed multiplication operations were relocated to fields leased from TIGEM (General Directorate of Agricultural Enterprises) without any external service procurement. This method has been consistently used for eight seasons. Additionally, in late 2015, a new product called “cage fries” was introduced in the mechanical cutting facilities and made available to fast-food restaurants.

In 2016, the first export was made to China, In 2017, an investment was made in a seed storage facility with an indoor area of 7,500 square meters. While raw potatoes are stored in bulk, the seed storage



facility utilizes the container system. The seed storage facility has the capacity to store 15,000 metric tons of seeds while the raw potato warehouse can hold 70,000 metric tons of raw potatoes. In 2018, the Company developed and introduced “spicy crinkle fries” for fast-food restaurants. The investment for the fourth packaging line was initiated in late 2019 and with the installation and commissioning completed, the plant began operations in August 2021. On June 8, 2019, TFI TAB Gıda took over the remaining 50 percent of Company shares from Murat Özgörkey and Mustafa Selim Özgörkey and became the sole shareholder of the Company.

In 2023, 20,3 percent of shares were offered to the public on Borsa Istanbul.

### **General Overview and Operating Sector**

The Company’s plant in Susuz Municipality of Afyonkarahisar is one of Türkiye’s largest in its production line with an annual potato production capacity of 90,000 metric tons on 168,000 square meters of land, including a 75,000-square-meter indoor area. The cutting-edge production line equipped with innovative agricultural technology is one of the largest in the region and Türkiye, and contributes significantly to the national economy while offering increasing employment opportunities by recruiting producers in the system.

The Company’s final product portfolio includes seasoned/unseasoned french fries, potato wedges, crinkle fries, cage fries, and spicy crinkle fries.

Atakey has imported high-quality seeds from abroad and started using them for commercial potato production after multiplication. The Company has been producing its own seeds on lands leased from TIGEM since 2015 and has built its production process on this system. A specialized team of agricultural engineers manages the seed planting process and applies advanced techniques to grow quality seeds. None of the seeds or successive potatoes contain genetically modified organisms and are extensively analyzed during the growing and harvesting seasons.

While Atakey’s primary field of operation is seed production for commercial purposes. It also participates in the supply of raw and secondary materials, seed selection, agricultural production, manufacturing, export and import activities, bulk and retail sales, marketing, and product distribution. The plant located in the Susuz Municipality of Afyonkarahisar has the capacity to store 70,000 metric tons of potatoes and 15,000 metric tons of seed potatoes. The storage facility consists of multiple rooms of 3,500 metric tons of capacity each. Supply and return vents for cooling as well as the temperature and humidity are controlled by a centralized cutting-edge computer system.

Atakey operates in the processed frozen potato sector, in the supply of potatoes, especially those intended for frying or cooking, and with french fry producers in production.

The amount of potato production may vary based on reducing planting areas, fluctuations in prices, and climatic conditions. The Potatoes Bulletin issued by the Ministry of Agriculture and Forestry stipulates that 5,1 million metric tons of potatoes were produced in Türkiye in 2021, with a 2-percent drop compared to the previous year. Konya takes the lead with 622,435 metric tons (12,2 percent), followed by Niğde with 575,627 metric tons (11,3 percent) and Afyonkarahisar with 562,927 metric tons (11,0 percent).

The potato is a vital agricultural crop used for human consumption, both fresh and processed, as well as for animal feed in the form of tubers or production waste. It also serves as a source of seed to ensure the continuity of production and for general processing in the food industry. As a fundamental source



of nutrition, the demand for and consumption of potatoes continues to rise daily alongside the growth of the world population, with their usage diversifying accordingly. Potato consumption has fluctuated over the last five years, with a 1,9 percent increase in the 2020/21 season compared to the previous year, and a 12,1 percent increase compared to the 2016/17 period. Potato consumption per capita changed by 48–52 kilograms during these years (Source: TEPGE Potato Product Report, 2022). The Company has managed to reduce the cost of raw potatoes through well-established agricultural methods and stringent policies. Furthermore, the Company produces S1 seeds (certified seeds produced from high-quality seeds) exclusively on dedicated seed production lands leased from TIGEM, subsequently ensuring the quality and cost efficiency of seed multiplication. It also secures the supply thanks to high-production capacity, minimizing losses in raw potato storage and production, resulting in a subsequent increase in productivity.

Atakey is a major actor in the market for fried and deep-frozen potatoes as well as for potatoes for frying in terms of production and sales volume. The Company's value-added product portfolio contributes to the growth of both sectors and Türkiye's agricultural economy, owing to its potential for growth, sales and export opportunities, and new investment prospects.

**The sources of finance and, if any, the quality and amount of issued capital market instruments:**

In addition to revenue generated from operations, the Company benefits from external sources of financing, including export loans and working capital loans. The Company conducted its initial public offering on Borsa Istanbul in 2023, resulting in a capital increase of 810,107,872 Turkish Lira.

### **3- FINANCIAL RIGHTS GRANTED TO MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGERS**

**Information on the total amounts of financial benefits including attendance fees, wages, premiums, bonuses, and profit shares, and compensations, travel, accommodation, and representation expenses, in-kind and cash amenities, insurance, and similar benefits:**

The total of financial and similar benefits granted to senior managers during the period that ended September 30, 2024, is 7,709,718 TL. (September 30, 2023: 4,851,130 TL)

### **4- RESEARCH AND DEVELOPMENT EXPENSES OF THE COMPANY**

The Company has focused on product development activities as part of its strategy, Therefore, the Company conducts research and projects for new product development, as well as diversification, improvement, and enhancement of existing products. The Company draws on from its sector experience and global trends in developing new product ideas.



## 5- COMPANY ACTIVITIES AND RELATED KEY DEVELOPMENTS

### a) Information on investments during the relevant accounting period:

**Table of Investment**

(TL)	30-Sep-24
<u>Investment Type</u>	
Buildings	2,436,511
Property, Plant and Equipment	92,285,674
Vehicles	9,860,922
Fixtures	1,862,186
Ongoing Investments	212,422,419
Underground and Overland Plants	2,189,439
Intangible Assets	1,336,698
<b>Total</b>	<b>322,393,849</b>

In the decision of our Board of Directors dated January 16, 2024, it was decided unanimously; An investment incentive has been established by the Ministry of Industry and Technology of the Republic of Turkey for the construction of the "Coated Products Production Building and Raw Onion Warehouse" and the necessary machinery and equipment investments for a new production line where coated products will be produced in order to expand the product portfolio and capacity in our factory in Susuz town of Afyonkarahisar province. Related investment and incentives Within the scope of our document, a loan usage agreement worth 5 million Euros was signed.

In addition, our Company has started working on the implementation of the cogeneration project, which will contribute to operational continuity and increase operational efficiency. With this project, in which we will supply electricity from natural gas, the Company aims to produce its own electricity, while also reducing the frequency of outages caused by power outages and equipment damage, significantly reducing material waste in the process, and thus increasing efficiency.

### b) Information on the company's internal control system and internal audit activities, and the governing body's opinion on the matter:

The internal control system was established to ensure the continuity and efficiency of company activities, compliance with corporate policies and protection of assets. The system also aims to prevent errors and fraud, maintain accurate and complete accounting records, provide timely and reliable financial information, and facilitate achievement of targets. An Internal Audit Function under the Audit Committee in 2024 is planned, the internal audit team of the group company is conducting audit activities until the establishment of in-house Internal Audit team. Internal mechanisms are established to periodically assess critical processes as part of the group's internal audit schedules, and appropriate corrective measures are implemented as needed.



**c) Information on direct and indirect affiliates and share ratios:**

There is none.

**d) Statements on the private and public audits in the related accounting period:**

The company was not subject to special audit or public audit within the period 01.01.2024 – 30.09.2024.

**e) Details regarding legal proceedings initiated against the company that could impact its financial standing and operations, including potential outcomes:**

As of September 30, 2024, there is a litigation provision amounting to 2,161,843 TL.

**f) Information regarding related party transactions:**

The Company engages in various transactions with related parties within the course of its ordinary business operations. As a result of operational activities, receivables and payables from related parties generally arise from ordinary commercial activities. Related party transactions are explained in detail in footnote 25 of the Interim Financial Statements dated 30.09.2024, and no provision for doubtful receivables has been allocated in the current year for receivables from related parties.

**g) Explanations of administrative or judicial sanctions imposed on the Company and members of the governing body for non-compliance with legislative provisions:**

There are none.

**h) Information and evaluations regarding whether the past period's targets were achieved, whether the resolutions of the general assembly were implemented, reasons for any unmet objectives or unimplemented resolutions, and evaluations:**

Targets for the period ending September 30, 2024, have been achieved.

**i) Details regarding any extraordinary general assembly meetings held during the year, including the dates of the meetings and the resolutions adopted along with subsequent actions taken:**

No extraordinary general assembly meeting was held in 2024.

**j) Information on donations and grants, as well as expenditures related to corporate social responsibility projects within the related accounting period:**

There is none.

**j) If it is a subsidiary; any legal transactions executed with the controlling company or with a subsidiary of the controlling company, for the benefit of the controlling company or any of its subsidiary companies as prompted by the controlling company and all other measures taken or otherwise avoided in the previous year of activity for the benefit of the controlling company or any of its subsidiary companies:**

There is none.

**k) If it is a subsidiary: according to the situations and conditions known at the moment when the legal transactions aforementioned in article (j) are carried out or measures are taken or avoided to be taken, whether an appropriate counter-action was taken in any of the legal transactions and**



whether the measure taken or avoided to be taken caused a loss for the company, and if the company has incurred a loss, whether this loss was offset:

There is none.

## 6- FINANCIAL STATUS

a) Analysis and evaluation of the management body regarding the financial situation and operating results, the degree of realization of planned activities, the company's situation against the determined strategic goals:

The targets set for the period ending September 30, 2024 have been achieved.

b) Information and projections on the company regarding its sales performance, productivity, revenue generation capacity, profitability, and debt-to-equity ratio as well as the operating results in the current period in comparison to the previous periods: (TFRS)

### Summary of Financial Indicators

(TL)	30-Sep-24	31-Dec-23
Total Assets	5,162,503,101	5,555,487,127
Total Equity	4,127,919,208	4,165,402,510

(TL)	1 Jan - 30 Sep 2024	1 Jan - 30 Sep 2023
Revenue	2,519,840,166	2,612,896,224
Gross Profit	378,576,410	701,837,192
Operating Profit	494,687,171	675,816,118
Profit/Loss Before Tax	142,787,656	500,471,595
Taxes	-133,874,055	-336,613,268
Net Period Profit/Loss	8,913,601	163,858,327
Adjusted EBITDA	411,292,439	678,054,391
Operating Profitability (%)	20%	26%
Net Period Profitability (%)	0.4%	6.3%
Adjusted EBITDA Profitability (%)	16%	26%

\*Operational profit is the profit generated from core business operations and investments, before accounting for financial expenses.

Board of Directors dated January 16, 2024, it was decided; an investment incentive has been established by the Ministry of Industry and Technology of the Republic of Turkey for the "Construction of the Coated Products Production Building and Raw Onion Warehouse and the necessary machinery and equipment investments" for a new production line where coated products





will be produced in our factory in Susuz town of Afyonkarahisar province, in order to expand the product portfolio and capacity.

**c) Factual observations and the government body's assessment concerning whether the company's capital has become inadequate, or the company has been heavily indebted:**

The capital is 100 percent maintained within the equity.

**d) If applicable, measures being considered to improve the financial position of the company:**

There are none.

**e) Information on the profit distribution policy and, if no profit distribution is to be made, a proposal on how the undistributed profit will be utilized:**

According to the financial statements prepared in accordance with the CMB accounting standards as a result of the Company's activities in 2023, the proposal to distribute a total gross amount of 122,000,000,-TL to the partners, to be covered entirely from the net period profit of 2023, after deducting the legal obligations from the net period profit, was made by the Board of Directors to the General Assembly. It was included in the agenda of the Board.

At the General Assembly held on June 15, 2024, the profit distribution proposal was approved, and dividend payments were made on July 10, 2024.

The distributable net profit will be calculated in accordance with the AoA, the TCC, the CMB regulations, the Dividend Distribution Communiqué, and tax regulations. It is aimed to be distributed to shareholders and other eligible individuals participating in the profit, in the proportion determined by the Board of Directors for each period and presented to the general assembly.

## **7- RISKS AND EVALUATION OF GOVERNING BODY:**

**a) Information on the corporate risk management policy, if one exists, against anticipated risks:**

The Company, within the framework of TFI Group Companies' Corporate Risk Management methodology, conducts activities including identification and description of risks; evaluation of control effectiveness and adequacy of designs; ensuring management of risks through identification of process owners and action plans; and efforts to reduce risks to acceptable levels or within the risk appetite accepted by management. The risk management strategy entails the oversight and accountability of risk management at the Executive Board and Board of Directors ("Board of Directors" or "BoD") levels. Management is responsible for making prudent risk/reward decisions and for actively identifying, assessing, rating, managing, and monitoring ongoing risks.

**b) Information on the employees and reports of the Risk Committee, if any:**

A Risk Committee was established on January 24, 2024.

The Executive Committee is responsible for effective management of enterprise risks through implementation of a risk management framework, policies, and processes, including compliance with established risk limits and invited to all Risk Committees, The Group Risk Director directly reports to



Early Detection of Risk Committee and presents top tier risks on an enterprise-wide basis to the Committee six times per year or as circumstances require.

**c) Forward-looking risks related to sales, efficiency, innovation capacity, profitability, debt-to-equity ratio, and similar matters:**

The Company's primary risks are monitored across five categories. These encompass strategic, operational, compliance, financial (FX, liquidity, loan, interest, and commodity price risks), and technological risks.

Agricultural risks, production disruptions, and natural disasters could impede short-, medium-, and long-term strategies, The Company designs and effectively implements identification and preventive measures to eliminate such risks, Insurable risks are frequently assessed and transferred to third parties, While the Board of Directors, through strategic decisions, manages and represents the Company by keeping the risk, growth and income balance of the Company at the most appropriate level with a rational and cautious risk management approach, primarily considering the Company's long-term interests, it is also responsible for ensuring that the Company achieves its determined and publicly disclosed operational and financial performance targets.

The financial risks encompass loan, interest, liquidity, and counterparty risks, plus closely monitoring national and international economic developments, the Company considers the potential impact of developments on assets and liabilities and takes due precautions.

## **8- DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES**

The 2023 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared in accordance with the CMB's Decision dated 10.01.2019 and numbered 2/49 and approved by the Atakey Board of Directors on 18.03.2024, were prepared within the period deemed appropriate by the CMB. It was disclosed to the public on the Public Disclosure Platform. These principles were complied with in the period between January 1, 2024, and June 30, 2024, and the relevant declaration remains valid.

## **9- ADDITIONAL INFORMATION ON THE PARENT COMPANY OF THE GROUP**

**If an equity company's shares are held up to legislative limits and, if shares are dropped below these percentages, the grounds thereof:**

In 2024, Atakey Gıda Sanayi ve Ticaret A.Ş. did not hold any shares of a stock corporation. The company had previously not owned any shares of an equity company.

**Information on Group companies' shares in the capital of the parent company:**

Atakey Gıda Sanayi ve Ticaret A.Ş. does not hold a controlling stake in the Group. TFI TAB Gıda Yatırımları A.Ş., the controlling shareholder of the Group to which Atakey Gıda Sanayi is a subsidiary, holds 79,7 percent of the Company's capital.



## 10- MISCELLANEOUS

**a) Information on any material events that have taken place in the company after the end of the reporting period, which may impact on the rights of shareholders, creditors, and other related parties and organizations:**

At the Board of Directors meeting held on 20 May 2024, the Share Buyback Program was approved by the Board in case economic and commercial conditions, market conditions in the capital markets, trading volumes on Borsa Istanbul, and/or the company's financial situation are deemed unsuitable.

The duration of the program is 3 years, with a maximum of 3,469,200 shares to be repurchased, equivalent to 2.5% of the company's capital, and a maximum fund allocation of 175,000,000 TL. The Board of Directors has been fully authorized to terminate or suspend the Buyback Program before reaching the specified maximum number of shares.

At the Company's Ordinary General Assembly Meeting on 14 June 2024, the Share Buyback Program ("Program"), prepared within the framework of relevant legislation, was approved, and the Board of Directors was authorized to carry out share buybacks. Subsequently, on 7 October 2024, the Board of Directors decided to commence buyback operations, and the share repurchase began on 9 October 2024.

As of 30 October 2024, considering transactions that had been settled by the report's publication date, a total of 73,000 nominal shares, equivalent to 0.053% of the company's capital, were repurchased using 3,155,947 TL of funds.

In addition, our company has initiated efforts to implement a cogeneration project, which will contribute to operational continuity and increase operational efficiency. With this project, which will generate electricity from natural gas, the company aims to produce its own electricity while reducing the frequency of interruptions caused by power outages and equipment damage, significantly minimizing material waste in the process and thereby improving efficiency.

**b) Information on service procurement such as investment consultancy and rating:**

The Company follows the relevant capital market regulations when choosing service providers and takes due precautions to prevent potential conflicts of interest. No conflict of interest exists between the company and service providers during or after the duration of service procurement. In December 2023, JCR Avrasya Derecelendirme A.Ş., the credit rating firm, upgraded AtaKey Patates Gıda Sanayi ve Ticaret A.Ş.'s Long-Term National Credit Rating from 'BBB+ (tr)' to 'A- (tr)', while maintaining the Short-Term National Credit Rating at 'J2 (tr)', with a Stable outlook. The Long-Term International Foreign Currency and Long-Term International Local Currency Credit Ratings have been reaffirmed at 'BB' with a Negative outlook.



### **c) Presentation of Interim Activity Report**

The obligation to prepare the interim activity report within 30 days following the end of the relevant accounting period within the scope of the Communiqué on Principles of Financial Reporting in the Capital Markets (II-14,1), within the scope of the Announcement on Inflation Accounting Application in the Capital Markets Board Bulletin dated 28,12,2023, IAS 29, it was accepted to provide an additional period of 6 weeks for the interim financial reports of 31.03.2024 and 30.06.2024.

The company's financial reports for the operating period of 01.01.2024-30.09.2024 were signed and approved by the Chairman and members of the Board of Directors on October 30, 2024. No member of the management body had a different opinion regarding the information contained in the interim activity report.

Among the information to be disclosed in the annual reports, those that are trade secrets may not be included in the annual reports, as long as they retain their trade secret nature; The information in question is disclosed in the first activity reports after the date on which it ceases to be a trade secret.

### **d) Additional information not included in financial statements approved by the governing body:** There is none.

This report; Financial information for the period 1 January 2024 – 30 September 2024 is in accordance with the Turkish Commercial Code. It has been prepared based on the prepared financial statements and has been signed and approved by the Members of the Company's Board of Directors.