

TAT GIDA SANAYİ ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AS AT AND
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022
WITH INDEPENDENT AUDITORS REPORT**

TAT GIDA SANAYİ ANONİM ŞİRKETİ

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TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

ASSETS	Notes	Reviewed 30 June 2022	Audited 31 December 2021
Current Assets			
Cash and cash equivalents		300,920,979	106,046,019
Trade receivables		597,238,166	473,882,599
-Trade receivables from related parties	5, 19	511,956,748	433,602,270
-Trade receivables from third parties	5	85,281,418	40,280,329
Other receivables		3,464,566	2,875,061
-From third parties		3,464,566	2,875,061
Inventories	6	596,490,888	627,595,375
Derivative instruments	11	-	9,063,664
Current tax assets		140,307,705	29,206,570
Prepaid expenses	18	149,920,089	101,146,584
Total Current Asset		1,788,342,393	1,349,815,872
Non-Current Assets			
Other receivables		68,085	68,085
-Other receivables from third parties		68,085	68,085
Financial investments		5,372,949	5,122,949
Property, plant and equipment	7	296,869,502	229,427,009
Right of use assets		27,565,326	25,481,697
Intangible assets		8,933,200	8,737,285
Deferred tax assets		30,255,774	18,891,876
Other non-current assets	18	-	294,817
Total Non-Current Assets		369,064,836	288,023,718
TOTAL ASSET		2,157,407,229	1,637,839,590

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2022	31 December 2021
LIABILITIES			
Short Term Liabilities			
Short-term financial borrowings	4	195,150,000	92,401,001
Short-term financial lease liabilities	4	6,674,661	5,618,972
- Short-term financial lease liabilities due from related parties		4,985,194	3,866,636
- Short-term financial lease liabilities due from other parties		1,689,467	1,752,336
Short-term portion of long-term borrowings	4	301,353,117	147,144,849
Trade payables		504,915,761	257,816,497
- Trade payables to related parties	5, 19	53,577,075	49,053,751
- Trade payables to third parties	5	451,338,686	208,762,746
Employee benefit obligations		10,948,381	4,475,763
Other payables		16,358,544	19,047,239
- Other payables from related parties	19	5,023,256	11,724,613
- Other payables from third parties		11,335,288	7,322,626
Deferred income		2,209,320	6,505,824
Current tax liabilities		5,070,111	6,066,187
Short-term provisions		24,368,528	14,159,957
- For employment benefits		1,747,433	1,747,433
- Other		22,621,095	12,412,524
Subtotal		1,067,048,423	553,236,289
Total Short-Term Liabilities		1,067,048,423	553,236,289
Long Term Liabilities			
Long-term financial borrowings	4	40,000,000	160,000,000
Long-term lease liabilities	4	23,395,333	22,096,945
- Long-term lease liabilities due from related parties	19	6,438,573	4,488,922
- Long-term lease liabilities due from other parties		16,956,760	17,608,023
Long-term provisions		22,719,629	17,295,879
- For employment benefits		22,719,629	17,295,879
Total Long-Term Liabilities		86,114,962	199,392,824
TOTAL LIABILITIES		1,153,163,385	752,629,113
EQUITY			
Share capital	10	136,000,000	136,000,000
Inflation adjustment to share capital	10	21,601,088	21,601,088
Share premiums/discounts	10	10,107,809	10,107,809
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		3,409,399	3,409,399
- Financial assets revaluation reserve		3,409,399	3,409,399
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(5,989,423)	(2,812,064)
- Actuarial losses in defined benefit plan		(5,989,423)	(2,812,064)
Restricted reserves	10	118,758,084	72,461,784
Retained Earnings		541,684,949	421,252,127
Prior years' profit		178,671,938	223,190,334
Equity attributable to equity holders of the parent company		1,004,243,844	885,210,477
Total Equity		1,004,243,844	885,210,477
TOTAL LIABILITIES AND EQUITY		2,157,407,229	1,637,839,590

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

		Reviewed	Reviewed	Not Reviewed	Not Reviewed
	Notes	1 January- 30 June 2022	1 January- 30 June 2021	1 April- 30 June 2022	1 April- 30 June 2021
Profit or loss					
Sales	12	1,019,142,572	454,414,579	482,549,511	240,720,691
Cost of sales (-)	12	(670,426,706)	(319,301,134)	(316,630,701)	(166,004,069)
Gross profit		348,715,866	135,113,445	165,918,810	74,716,622
Marketing expenses (-)	13	(107,663,204)	(36,172,035)	(58,054,740)	(19,367,699)
Administrative expenses (-)	13	(83,852,344)	(36,509,321)	(32,513,787)	(18,133,033)
Research and development expenses (-)	13	(1,374,037)	(729,466)	(730,165)	(281,430)
Other income from operating activities	14	82,108,787	19,072,955	52,361,686	11,315,613
Other expenses from operating activities (-)	14	(42,265,561)	(7,777,758)	(31,189,266)	(5,347,802)
Operating profit		195,669,507	72,997,820	95,792,538	42,902,271
Income from investing activities	15	2,394,674	1,979,095	333,425	309,469
Expenses from investing activities (-)	15	-	(13,570)	980	3,494
Operating profit before finance expense		198,064,181	74,963,345	96,126,943	43,215,234
Finance income	16	54,407,515	66,341,066	35,850,377	37,005,290
Finance expense (-)	16	(69,919,345)	(56,242,890)	(40,710,531)	(30,868,801)
Finance expense, net		(15,511,830)	10,098,176	(4,860,154)	6,136,489
Profit before tax		182,552,351	85,061,521	91,266,789	49,351,723
Tax expense		(3,880,413)	4,156,785	(7,555,841)	14,427,256
- Current tax expense	17	(14,453,555)	3,095,683	(13,687,606)	13,264,612
- Deferred tax expense	17	10,573,142	1,061,102	6,131,765	1,162,644
Profit for the period from continuing operations		178,671,938	89,218,306	83,710,948	63,778,979
Profit / (loss) for the period from discontinued operations		-	65,563,784	-	(249,537)
Profit for the period		178,671,938	154,782,090	83,710,948	63,529,442
Earnings per share		1.31	1.14	0.62	0.47
Earnings per common and diluted share from continuing operations (kr)		1.31	0.66	0.62	0.47
Earnings / (losses) per common and diluted share from discontinued operations (kr)		-	0.48	-	0.00
Other comprehensive income:		(3,177,359)	743,102	(3,177,359)	(37,831)
Gains / (losses) in revaluation reserve		-	990,803	-	(50,441)
Losses related to hedging from cash flow risk		-	(247,701)	-	12,610
Gains / (losses) on remeasurements of defined benefit plans		(3,177,359)	-	(3,177,359)	-
Total other comprehensive income		(3,177,359)	743,102	(3,177,359)	(37,831)
Total comprehensive income		175,494,579	155,525,192	80,533,589	63,491,611

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

				Other comprehensive income that will be Reclassified in Profit or Loss		Other comprehensive income that will not be Reclassified in Profit or Loss					
	Paid in share capital	Inflation adjustments to paid in capital	Share premiums (discounts)	Gains / (losses) on revaluations and remeasurements	Cash flow hedges	Gains / (losses) on remeasurements of defined benefit plans	Restricted reserves appropriated from profit	Net profit for the period	Retained earnings	Paid in share capital	
Balance as at 1 January 2021	136,000,000	21,601,088	10,107,809	2,705,092	(743,102)	(749,631)	29,533,338	167,274,341	339,018,230	704,747,165	
Transfers	-	-	-	-	-	-	42,928,446	(167,274,341)	124,345,895	-	
Dividends paid	-	-	-	-	-	-	-	-	(42,111,998)	(42,111,998)	
Total comprehensive income	-	-	-	-	743,102	-	-	154,782,090	-	155,525,192	
Balance as at 30 June 2021	136,000,000	21,601,088	10,107,809	2,705,092	-	(749,631)	72,461,784	154,782,090	421,252,127	818,160,359	
Balance as at 1 January 2022	136,000,000	21,601,088	10,107,809	3,409,399	-	(2,812,064)	72,461,784	223,190,334	421,252,127	885,210,477	
Transfers	-	-	-	-	-	-	46,296,300	(223,190,334)	176,894,034	-	
Dividends paid	-	-	-	-	-	-	-	-	(56,461,212)	(56,461,212)	
Total comprehensive income	-	-	-	-	-	(3,177,359)	-	178,671,938	-	175,494,579	
Balance as at 30 June 2022	136,000,000	21,601,088	10,107,809	3,409,399	-	(5,989,423)	118,758,084	178,671,938	541,684,949	1,004,243,844	

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

		Reviewed 1 January- 30 June 2022	Reviewed 1 January- 30 June 2021
	Notes		
Profit from continuing operations, before tax		178,671,938	89,218,306
Profit / (loss) from discontinued operations		-	65,563,784
Adjustments to reconcile profit for the period:			
Adjustments for depreciation and amortization expenses	3	8,298,849	5,143,369
Adjustments for impairment		(841,882)	1,479
<i>Adjustments for impairment of inventories</i>	6	(841,882)	1,479
Adjustments for provisions		17,179,980	38,405,864
<i>Adjustments for provision related with employee benefits</i>		6,971,409	25,806,423
<i>Adjustments for other provision</i>		10,208,571	12,599,441
Profit / (loss) from sale of property, plant and equipment	15	140,184	195,603
Adjustments related to profits of fixed assets sales classified for sale		-	(69,041,724)
Adjustments for income accruals	18	(4,018,600)	(3,355,088)
Adjustments for fair value of derivatives instruments		9,063,664	(512,371)
Adjustments for tax expenses	17	3,880,413	(4,156,785)
Adjustments for unrealized foreign exchange loss, net		7,380,730	2,267,504
Deferred financial expense due to purchases with maturity		(27,559,476)	(3,652,880)
Unearned financial income due to sales with maturity		19,006,459	3,778,900
Interest income	16	(12,577,649)	(8,773,193)
Interest expense	16	38,127,567	16,813,242
Changes in working capital		236,752,177	131,896,010
Changes in trade receivables and other receivables		(64,597,053)	(21,828,500)
Changes in due from related parties		(78,354,478)	75,596,770
Changes in inventories		31,946,369	111,996,648
Changes in prepaid expenses		(111,101,135)	(32,141,121)
Changes in other current and non-current assets		(42,472,431)	4,447,416
Changes in trade payables		270,135,416	(17,271,199)
Changes due to related parties		(2,178,033)	(21,876,894)
Changes in deferred income		(4,296,504)	(6,857,712)
Changes in employee benefit payables		6,472,618	(274,364)
Increase in other liabilities		-	(2,819,167)
Decrease in other liabilities		5,611,435	(80,080)
Cash flows from operating activities		247,918,381	220,787,807
Employee termination benefits paid		(4,725,018)	(25,248,144)
Taxes paid		(16,240,387)	(16,208,984)
Net cash flows from operating activities		226,952,976	179,330,679
Investing activities:			
Cash outflows from property, plant and equipment and intangible asset		(75,260,927)	(42,346,978)
Cash generated from sale of property, plant and equipment and intangible assets		(90,961)	7,542
Adjustments related to profits of fixed assets sales classified for sale		-	182,128,321
Net cash used in investing activities		(75,351,888)	139,788,885
Financing activities:			
Interest received		12,577,649	8,773,193
Cash outflows due to leasing payments		(6,950,549)	(4,367,324)
Cash inflows due to borrowing received		449,941,497	27,507,406
Cash outflows due to borrowing payments		(339,587,898)	(137,612,578)
Interest paid		(16,245,615)	(16,861,923)
Dividend payment	10	(56,461,212)	(42,111,998)
Net cash from in financing activities		43,273,872	(164,673,224)
Net change in cash and cash equivalents		194,874,960	154,446,340
Cash and cash equivalents at the beginning of the period		106,046,019	120,612,224
Cash and cash equivalents at the end of the period		300,920,979	275,058,564

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 1 – COMPANY’S ORGANISATION AND NATURE OF OPERATIONS

Tat Gıda was established in 1967 with the name Tat Konserve Sanayii Anonim Şirketi, the name change of the Company was decided at the extraordinary assembly meeting on 30 October 2013 and registered on 15 November 2013. The Company is engaged in production, distribution, marketing, domestic and foreign trade and brokerage of semi-finished goods and finished goods of such products; merchandise goods, food, beverage, juice, agricultural and animal products, frozen foods, dried goods, including pulverized goods and raw and primitive form of materials recipient and additives, sweet and sugar free juice and canned goods. The Company is registered in Turkey and is operating in accordance with the provisions of the Turkish Commercial Code.

As at 30 June 2022 and 31 December 2021, the number of end-of-period, average, permanent and temporary personnel employed within the Company is as follows:

	30 June 2022		31 December 2021	
	End of Period	Average	End of Period	Average
Total	1,213	793	653	1,025
Permanent Personnel	446	436	426	467
Temporary Personnel	767	357	227	558

The domestic marketing and sales activities of the Company are performed by Düzey Tüketim Malları Sanayi Pazarlama Anonim Şirketi (“Düzey”), a Koç Group company.

Koç Holding Anonim Şirketi (“Koç Holding”) is the main shareholder and the ultimate owner of the Company.

The shares of the Company are quoted to Istanbul Stock Exchange Market since 1993.

The registered office address of the Company is as follows:

Taşdelen Çamlık Mah. Sırrı Çelik Bulvarı No: 7
34788 Çekmeköy / İstanbul / Turkey

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Principles of measurement

The condensed interim financial statements are prepared in Turkish Lira (“TRY”) based on the historical cost convention except for the equity instruments which are carried at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis. The financial statements have been prepared on the basis of the inflation adjusted historical cost basis ended on 31 December 2004.

Reporting and Functional Currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional and presentation currency of the Company is TRY.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Statement of Compliance to Turkish Financial Reporting Standards (“TFRS”)

The accompanying condensed interim financial statements are prepared in accordance with Turkish Financial Reporting Standards Accounting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) together with the provisions of accordance with to Capital Market Board of Turkey (“CMB”)’s “Principles of Financial Reporting in Capital Market” dated 13 June 2013 and published in the Official Gazette numbered 28676 Series II. No.14.1. TFRS consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, TAS interpretations and TFRS interpretations.

Interim condensed financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement samples specified in the Financial Statement Examples and User Guide published in the Official Gazette dated 7 June 2019 and numbered 30794 by POA.

Public Oversight Accounting and Auditing Standards Authority (“POA”) made an announcement on January 20, 2022 about Application of Financial Reporting in Hyperinflationary Economies (IAS 29 Financial Reporting in Hyperinflationary Economies) for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the financial statements, POA did not make an additional announcement and no adjustment was made to the financial statements in accordance with TAS 29.

Approval of financial statements:

The accompanying interim condensed financial statements are approved by the Company’s Board of Directors on 1 August 2022.

2.3 Financial Statements of Comparative Information and Restatement of Prior Period

In order to allow the determination of the financial position and performance, the Company’s financial statements have been prepared comparatively with the prior period. In order to comply with the presentation of the financial statements of the current period necessary, comparative figures are reclassified, and significant differences are explained.

Regarding the sale of the SEK brand in 2021, all income and expenses from SEK were classified under "period profit / (loss) from discontinued operations" in the profit or loss and other comprehensive income statement for the period 1 January - 30 June 2021.

2.4 Change in accounting policy

The accounting policies applied in the interim condensed financial statements of the Company are the same as the accounting policies applied in the financial statements for the year ended 31 December 2021.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies

The condensed interim financial statements of the Company for the period ended June 30, 2022 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of the condensed interim financial statements for the period ended June 30, 2022 are consistent with those used in the preparation of annual financial statements for the year ended December 31, 2021. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021.

New and Revised International Financial Reporting Standards:

Amendments published as of 30 June 2022 but not yet taken into effect and not implemented early

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021);** These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023
- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

Standards, amendments, and interpretations that are issued but not effective as of 30 June 2022:

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, ‘Business combinations’** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial Instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

- **Amendments to IAS 1, Presentation of financial statements on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, ‘Insurance Contracts’, as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The impacts of the new standards, amendments and improvements on the financial position and performance of the Company is being assessed.

NOTE 3 – SEGMENT REPORTING

Primary Segmental Reporting Method - Industrial Segments

As the products of the Company have different risks and returns, the below operating segments have been accepted by the Company. The Company have identified relevant operating segments based on internal reports about the components of the Company that are regularly reviewed by the chief operating decision maker of the Company.

- Tomato paste and canned foods
- Milk and dairy products

The Company also evaluated disclosure of geographical distribution of revenues for the period in addition to industrial segments. However, the Company concluded that there are no geographical reporting segments since the big chain groceries and Düzey is the main customer of the Company. The Company Management evaluates financial results and performance based on TAS financial statements. Therefore, TAS financial statements are the basis of segmental reporting.

With the public disclosure made on the 6 January 2021 and the related board of directors’ minute, the Company announced focusing on tomato paste and canned foods segment, which is the main business line and has bigger portion in profitability. The production facilities and all assets and liabilities related to milk and dairy products segment were decided to be terminated and related transactions completed on 14 March 2021. Based on the decision to the termination of the production facilities and all other related assets and liabilities belonging to the milk and dairy products segment, all income and expenses arising from SEK in the profit or loss and other comprehensive income statement for the period 1 January – 30 June 2021 are classified under “profit/(loss) for the period from discontinued operations”. The assets of the SEK business line for the period 1 January – 31 December 2021 are classified under “Assets Held for Sale” and its liabilities are classified under “Liabilities included in disposal groups classified as held for sale”. Domestic selling and marketing activities are operated by Düzey which is a Koç Group Company. Sales amount to the Düzey is TRY566,076,052 (30 June 2021: TRY450,922,236).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 3 – SEGMENT REPORTING(Continued)

a) Revenue segmental analysis

Revenue segmental analysis for the period ended 1 January - 30 June 2022 and 2021

	1 January-30 June 2022	1 January-30 June 2021	1 April-30 June 2022	1 April-30 June 2021
Tomato paste and canned products	1,019,142,572	454,414,579	482,549,511	240,720,691
Discontinued operations	-	186,049,310	-	-
	1,019,142,572	640,463,889	482,549,511	240,720,691

b) Segment assets

The assets of the entity that are directly employed in the operating activities of the segment and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis are defined as segment assets.

As at 30 June 2022 and 31 December 2021, the recorded amounts of the segment assets according to industrial segments are as follows:

	30 June 2022	31 December 2021
Tomato paste and canned products	296,869,502	225,564,933
Assets that cannot be allocated to segments	8,933,200	12,599,361
	305,802,702	238,164,294

c) Segment liabilities

Described as liabilities that result from the operating activities of a segment and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

In the general framework of the organizational structure of the Company and its internal financial reporting system, trade and other payables are not analyzed in the basis of industrial segments. As a result, reporting of segment liabilities are not required.

d) Depreciation and amortization and capital expenditures

For the periods ended 30 June 2022 and 2021, depreciation and amortization of the industrial segment assets are as follows:

Amortization and depreciation costs	1 January -30 June 2022	1 January -30 June 2021	1 April -30 June 2022	1 April -30 June 2022
Tomato paste and canned products	6,399,539	2,123,340	4,818,025	1,166,640
Assets that cannot be allocated to segments	1,899,310	3,020,029	-	1,410,031
Discontinued operations	-	1,988,112	-	-
	8,298,849	7,131,481	4,818,025	2,576,671

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 3 – SEGMENTAL REPORTING (Continued)

For the periods ended 30 June 2022 and 2021, investment expenditures for the industrial segment assets are as follows:

Investment expenditures(*)	1 January -30 June 2022	1 January -30 June 2021	1 April -30 June 2022	1 April -30 June 2021
Tomato paste and canned products	74,172,647	56,749,085	66,808,082	49,133,295
Assets that cannot be allocated to segments	1,850,016	1,397,123	1,296,393	1,381,493
	76,022,663	58,146,208	68,104,475	50,514,788

NOTE 4 – FINANCIAL BORROWINGS

The financial liabilities at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Short term borrowings	195,150,000	92,401,001
Short term portion of long-term borrowings	90,522,980	145,244,849
Short term portion of bonds issued	210,830,137	1,900,000
Short term lease liabilities	6,674,661	5,618,972
Total short term financial liabilities	503,177,778	245,164,822
Long term borrowings	40,000,000	110,000,000
Bonds issued	-	50,000,000
Long term lease liabilities	23,395,333	22,096,945
Total long term financial liabilities	63,395,333	182,096,945
Total liabilities	566,573,111	427,261,767

There are no pledges and mortgages given by the Company, related to its financial liabilities (31 December 2021: None).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 4 – FINANCIAL BORROWINGS (Continued)

The details of financial borrowings as of 30 June 2022 are as follows:

	The weighted average interest rate %	Original amount	30 June 2022 Book Value (TRY)
Short term financial borrowings			
TRY borrowings	18.75%	285,672,980	285,672,980
Bonds issued (*)	24.50%	210,830,137	210,830,137
			496,503,117
Long term financial borrowings			
TRY borrowings	19.30%	40,000,000	40,000,000
			40,000,000

(*) It includes the coupon interest of the issued bond.

Within the scope of the issuance limit approved by the Capital Markets Board's decision dated 08 July 2021 and numbered 36/1059, the Company issued TRY 50,000,000 worth of coupon bonds on 18 October 2021, with an annual 19% fixed interest coupon payment at the end of the maturity date, with a redemption date of 18 April 2023. Within the scope of the issuance limit approved by the Capital Markets Board's decision dated 08 July 2021 and numbered 36/1059, the Company has issued a coupon bond with an annual fixed interest rate of 24.5% on 12 May 2022, with a redemption date of 15 May 2023, worth TRY 100,000,000. The company also issued TRY 50,000,000 worth of coupon bonds on June 10 2022, with a redemption date of 20 June 2023, with an annual 30% fixed interest coupon payment at maturity.

The details of financial borrowings as of 31 December 2021 are as follows:

	The weighted average interest rate %	Original amount	31 December 2021 Book Value (TRY)
Short term financial borrowings			
TRY borrowings	10.02%	184,233,850	184,233,850
USD borrowings	1.15%	4,000,000	53,412,000
Bonds issued	-	1,900,000	1,900,000
			239,545,850
Long term financial borrowings			
TRY borrowings	19.81%	110,000,000	110,000,000
Bonds issued	19.00%	50,000,000	50,000,000
			160,000,000

Repayment schedule of the long-term borrowings issued at 30 June 2022 and 31 December 2021 of are as follows:

	30 June 2022	31 December 2021
2022	496,503,117	239,545,850
2023	40,000,000	160,000,000
	536,503,117	399,545,850

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 4– FINANCIAL BORROWINGS (Continued)

As at 30 June 2022 and 31 December 2021, repayment schedule of the long-term lease obligations in TRY are as follows:

	30 June 2022	31 December 2021
Less than one year	6,674,661	5,618,972
Between one and two years	4,850,101	4,811,909
Between two and three years	3,691,896	2,029,535
Between three and four years	2,346,459	1,853,060
Between four and five years	1,617,924	1,644,450
More than five years	10,888,953	11,757,991
	30,069,994	27,715,917

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The analysis of trade receivables and trade payables at 30 June 2022 and 31 December 2021 is as follows:

	30 June 2022	31 December 2021
Trade receivables due from related parties (Note 19)	511,956,748	433,602,270
Trade receivables	87,904,207	43,142,200
Provisions for doubtful receivables	(2,622,789)	(2,861,871)
	597,238,166	473,882,599

Movement of allowance for doubtful receivables of the Company for the period ended 30 June 2022 and 2021 is as follows:

	1 January – 30 June 2022	1 January – 31 December 2021
Opening balance	(2,861,871)	(2,861,871)
Provision of the period	239,082	-
	(2,622,789)	(2,861,871)

The explanations related to quality and level of risks at trade receivables are explained at note 20.

Trade Payables

As at 30 June 2022 and 31 December 2021, the details of trade payables are as follows:

	30 June 2022	31 December 2021
Trade payables:		
Domestic suppliers	451,338,686	208,762,746
Due to related parties (Note 19)	53,577,075	49,053,751
	504,915,761	257,816,497

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 6 - INVENTORIES

As at 30 June 2022 and 31 December 2021, the details of inventories are as follows:

	30 June 2022	31 December 2021
Raw materials	256,513,141	61,566,164
Finished goods	340,759,360	568,003,230
Other inventory	467,571	117,047
Impairment of inventory	(1,249,184)	(2,091,066)
	596,490,888	627,595,375

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

For the periods ended 30 June 2022 and 2021, property, plant and equipment movement are as follows:

	1 January – 30 June 2022	1 January – 30 June 2021
Net book value as of 1 January	229,427,009	90,030,091
Additions	75,260,927	40,104,065
Disposals	(49,223)	(203,145)
Depreciation of the current period	(7,769,211)	(4,583,863)
	296,869,502	125,347,148

NOTE 8 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

With the material event disclosure declared on 14 March 2021, the Company announced that preconditions specified in the transfer agreement regarding transfer transactions of the facilities located in Bursa province Mustafakemalpaşa district and Aydın province Söke district, and the real estate where these facilities are located on, machinery and equipment exist in these facilities, all intellectual property rights included SEK brand which are related to milk and dairy products business unit, domain names and social media accounts, inventory, related business unit personnel and some related procurement and subcontractor contracts related to the milk and dairy products business unit have been fulfilled. After deducting the rights of the transferred employees from the sales price specified in the contract and other adjustments, a total of TRY218.3 million + VAT was collected and the title deed registration procedures were completed as of 12 March 2021 with the approval of the competition authority dated 5 March 2021.

With the material event disclosure declared on 1 April 2021, an agreement has been reached with the buyer on the stocks, and as a result of the calculations, the estimated stock value in the contract and the stocks to be sold by our company and the packaging that the buyer can not use etc. About TRY36 million was paid to the buyer for the difference between the actual stock value transferred after products, and the payment transactions related to the transfer were completed.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 8 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 30 June 2022 and 2021, the details of the Company's assets held for sale are as follows:

	30 June 2022	30 June 2021
Operating expenses related to discontinued operations (-)	-	(239,481,635)
Other income related to discontinued operations	-	310,933,934
Profit before tax from discontinued operations	-	71,452,299
Tax expense related to discontinued operations	-	(5,888,515)
Profit from discontinued operations	-	65,563,784

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The detail of the Company's guarantees given or contingent liabilities on the behalf of each other, related parties, parent company or third parties within the context of business operations or other purposes are as follows:

	30 June 2022	31 December 2021
A. On the behalf of legal entity	121,388,483	98,624,653
B. On the behalf of associations that included in full consolidation	-	-
C. On the behalf of third parties' liabilities within the context of business operations	-	-
-Given on the behalf of parent company	-	-
-Given on the behalf of other group companies which are not included in B and C clauses	-	-
-Given on the behalf of third parties which are not included in C clause	-	-
D. Others	-	-
	121,388,483	98,624,653

Company has guarantee letters given to tax office (for VAT refund), natural gas suppliers and General Directorate of Agricultural Enterprises etc. amounting to TRY121,388,483. (31 December 2021:TRY98,624,653).

Total guarantees given by the Company are in TRY currency and neither any pledges nor encumbrances are given by the Company. Ratio of commitments and contingencies given by the Company to the Shareholders Equity on 30 June 2022 is 0 percent (31 December 2021: 0 percent).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 10 – SHAREHOLDER’S EQUITY

a) Share Capital

The Company’s paid share capital at 30 June 2022 is TRY 136,000,000 and consists of 13,600,000,000 number of shares, each with a nominal value of 1 Kuruş and there is no preferred stock (31 December 2021: 13,600,000,000 number of shares each with a nominal value of 1 Kuruş).

As at 30 June 2022 and 31 December 2021, the shareholders and paid-in capital with the historical values are as follows:

		30 June 2022		31 December 2021
	%		%	
Koç Holding A.Ş.	43.7	59,364,947	43.7	59,364,947
Public	41.4	56,312,844	41.4	56,312,844
Kagome Co. Ltd.	3.7	5,071,168	3.7	5,071,168
Temel Ticaret ve Yatırım A.Ş. (“Temel Ticaret”)	3.3	4,427,889	3.3	4,427,889
Sumitomo Corporation	1.5	2,077,983	1.5	2,077,983
Other	6.4	8,745,169	6.4	8,745,169
Total Share Capital	100	136,000,000	100	136,000,000
Inflation adjustments to share capital		21,601,088		21,601,088
Adjusted share capital		157,601,088		157,601,088

There are no privileges, rights or limitations between the shares representing the capital of the Company.

The Company has adopted the registered capital system in accordance with the provisions of the Capital Market Law passed to this system with the permission of the Capital Markets Board dated 20 August 1992 and numbered 454. The registered capital ceiling of the Company is TRY250,000,000 and each Kuruş consists of 25,000,000,000 shares with a nominal value.

As at 30 June 2022, capital adjustment differences amounting to TRY21,601,088 consist of capital adjustment differences resulting from the restatement of the Company's paid-in capital amount and that are not offset to the previous years' losses or added to the share capital (31 December 2021: TRY21,601,088).

b) Share premium

These premiums related to the shares that have been canceled by not participating in the capital increase are positive differences on the shares sold above the nominal value. As at 30 June 2022, the premium of the Company's share in the financial statements is TRY10,107,809 (31 December 2021: TRY10,107,809).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 10 – SHAREHOLDER’S EQUITY(CONTINUED)

c)Restricted reserves

Reserves reserved for specific purposes other than profit from previous periods, due to law or contractual obligations or other profit distribution.

These reserves are presented in the Company's statutory records and the differences in preparing the financial statements in accordance with TFRS are associated with prior years' profits.

As at 30 June 2022 and 31 December 2021, the Company's details of restricted reserves are as follows:

	30 June 2022	31 December 2021
Legal reserves	79,360,838	33,064,538
Special reserves	39,397,246	39,397,246
Total	118,758,084	72,461,784

Legal Reserves

The legal reserves consist of 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 percent per annum, until the total reserve reaches 20 percent of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10 percent per annum of all cash dividend distributions. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital.

Special Reserves

According to the article 5/1-e of Corporate Tax Law No: 5520, 75% of the earnings from the sale of the properties and participation shares that corporations have kept among their assets for at least two full years, and from the sales of founders' shares, preference shares and preferred rights they have kept for same duration are exempted from corporate tax. This exception shall apply in the term the sale is made, and the part of the proceeds of the sale that benefited from the exception shall be kept in a special fund account of liabilities, until the end of the fifth year following the sale. However, the sale price must be collected until the end of the second calendar year following the year the sale is made. During the relevant period, the Company transferred Special funds amounting to TRY69,915,703 to the retained earnings.

d) Dividend distribution

According to the decision taken at the Ordinary General Assembly meeting held on 17 March 2022, the Company allocated legal reserves in the amount of TRY 4.966.121, special reserves in the amount of TRY 41.080.179 and extraordinary reserves in the amount of TRY 120.682.822 from the net profit for the year 2021, amounting to TRY 223.190.334. The remaining net profit amounting to TRY 56.461.212 was distributed as TRY 45,560,000 profit share and TRY 10,901,212 as usufruct.

NOTE 11 – DERIVATIVE INSTRUMENTS

As at 30 June 2022 and 31 December 2021 derivative assets are as follows:

	30 June 2022	31 December 2021
Short term derivative assets	-	9,063,664
Total derivative assets	-	9,063,664

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(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 12 – SALES AND COST OF SALES

For the periods 1 January – 30 June 2022 and 2021, gross profit as a result of revenues and cost of sales are as follows:

	1 January -30 June 2022	1 January -30 June 2021	1 April-30 June 2022	1 April-30 June 2021
Domestic sales (net)	631,498,291	343,954,864	341,702,616	182,046,786
Foreign sales (net)	387,644,281	110,459,715	140,846,895	58,673,905
Total Operating Revenue	1,019,142,572	454,414,579	482,549,511	240,720,691
Raw material expenses	(307,946,037)	(99,871,788)	(208,615,199)	(21,935,094)
Changes in inventories	(288,529,571)	(198,508,011)	(56,347,677)	(131,077,157)
Manufacturing overhead	(43,373,281)	(9,721,009)	(31,714,883)	(5,680,751)
Direct labour expenses	(27,045,313)	(9,755,965)	(17,561,849)	(6,491,224)
Depreciation expenses	(3,532,504)	(1,444,361)	(2,391,093)	(819,843)
Cost of sales	(670,426,706)	(319,301,134)	(316,630,701)	(166,004,069)
Gross Profit	348,715,866	135,113,445	165,918,810	74,716,622

NOTE 13 – EXPENSES BY NATURE

For the periods 1 January – 30 June 2022 and 2021 details of research and development expenses are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Research and development expenses:				
Personnel expenses	(1,162,961)	(476,908)	(624,334)	(173,639)
Depreciation expenses	(206,300)	(184,623)	(103,385)	(90,333)
Other	(4,776)	(67,935)	(2,446)	(17,458)
	(1,374,037)	(729,466)	(730,165)	(281,430)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 13 – EXPENSES BY NATURE (Continued)

For the periods 1 January – 30 June 2022 and 2021 details of marketing, selling and distribution expenses are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Marketing, Sales and Distribution Expenses:				
Shipping and insurance expenses	(33,578,068)	(9,178,430)	(19,268,318)	(5,273,806)
Advertising expenses	(29,313,280)	(8,040,316)	(15,450,709)	(4,965,635)
Personnel expenses	(15,610,635)	(6,781,302)	(8,684,088)	(3,437,352)
Export expenses	(11,328,808)	(3,066,247)	(6,490,379)	(1,726,783)
Action, sale, incentive and gondola participation costs	(7,426,565)	(3,654,000)	(3,158,565)	(1,050,798)
Sales support expenses	(5,059,855)	(2,848,474)	(2,458,865)	(1,440,198)
Subcontracting expenses	(3,422,283)	(1,891,115)	(1,367,662)	(1,158,160)
Other	(1,923,710)	(712,151)	(1,176,154)	(314,967)
	(107,663,204)	(36,172,035)	(58,054,740)	(19,367,699)

For the periods 1 January - 30 June 2022 and 2021 the details of general and administrative expenses are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
General and administrative expenses:				
Consultancy and lawsuit expenses	(29,475,468)	(4,888,906)	(3,998,088)	(2,651,978)
Personnel expenses	(25,011,012)	(14,565,452)	(13,993,221)	(7,200,350)
Information technology expenses	(8,375,137)	(4,118,682)	(4,289,258)	(2,145,037)
Administrative expenses	(5,478,385)	(1,287,193)	(3,142,033)	(883,093)
Severance expense	(4,737,963)	(3,417,736)	(1,128,955)	(682,807)
Depreciation and amortization	(4,539,521)	(3,499,226)	(2,323,546)	(1,771,687)
Transport, travel expenses	(1,583,359)	(357,527)	(1,229,754)	(154,286)
Tax and duties expenses	(1,312,250)	(1,638,572)	(703,526)	(1,364,676)
Repair and maintenance expenses	(608,551)	(799,434)	(254,877)	(420,278)
Other	(2,730,698)	(1,936,593)	(1,450,529)	(858,841)
	(83,852,344)	(36,509,321)	(32,513,787)	(18,133,033)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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NOTE 14 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

For the periods 1 January - 30 June 2022 and 2021, other income and profits from operating activities are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Other Operating Income				
Income from maturity differences	59,198,428	14,920,495	41,812,944	9,586,031
Exchange differences from commercial activities	18,891,566	2,247,007	8,425,302	876,810
Other	4,018,793	1,905,453	2,123,440	852,772
	82,108,787	19,072,955	52,361,686	11,315,613

For the periods 1 January – 30 June 2022 and 2021, other expenses from operating activities are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Other Operating Expense				
Exchange differences from commercial activities	(28,824,181)	(5,237,109)	(20,994,715)	(3,333,635)
Expense from maturity differences	(9,009,216)	(142,932)	(7,240,194)	(142,932)
Lawsuit expenses	(239,285)	(372,413)	(54,356)	(183,611)
Other	(4,192,879)	(2,025,304)	(2,900,001)	(1,687,624)
	(42,265,561)	(7,777,758)	(31,189,266)	(5,347,802)

NOTE 15 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

For the periods 1 January – 30 June 2022 and 2021, investment income and expenses are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Income from Investing Activities				
Dividend income	1,874,997	1,499,998	-	-
Rent income	379,493	269,924	194,518	123,367
Gain on sale of property, plant and equipment	140,184	209,173	138,907	186,102
	2,394,674	1,979,095	333,425	309,469
Expenses from Investing Activities				
Losses on sale of property, plant and equipment	-	(13,570)	980	3,494
	-	(13,570)	980	3,494

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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NOTE 16 – FINANCIAL INCOME AND EXPENSES

For the periods 1 January – 30 June 2022 and 2021, financial income and expenses are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Foreign exchange gains	41,829,866	57,518,414	26,727,608	31,830,278
Interest income on time deposits	12,577,649	8,773,193	9,122,769	5,129,902
Other	-	49,459	-	45,110
	54,407,515	66,341,066	35,850,377	37,005,290
	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Foreign exchange expenses	(28,551,095)	(39,120,952)	(15,968,405)	(22,452,689)
Bank loans interest expenses	(26,523,745)	(9,303,259)	(14,716,905)	(4,622,540)
Interest expenses on bond issued	(8,930,137)	(6,253,224)	(6,587,671)	(3,276,460)
Lease interest expenses	(2,681,561)	(725,329)	(1,410,192)	(357,423)
Derivative transactions fair value difference losses, net	-	(531,430)	-	-
Other	(3,232,807)	(308,696)	(2,027,358)	(159,689)
	(69,919,345)	(56,242,890)	(40,710,531)	(30,868,801)

NOTE 17 – INCOME TAX

Total income tax benefit/ (expense) recognized in profit or loss for the year ended 30 June 2022 and 2021 are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Current tax expense	(14,453,555)	3,095,683	(13,687,606)	13,264,612
Deferred tax (expense)/ income	10,573,142	1,061,102	6,131,765	1,162,644
Total tax expense	(3,880,413)	4,156,785	(7,555,841)	14,427,256

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 18 – OTHER ASSETS

As at 30 June 2022 and 31 December 2021, the details of other assets are as follows:

	30 June 2022	31 December 2021
Other current assets:		
VAT receivables	126,348,935	78,435,679
Income accruals	21,876,422	17,857,822
VAT receivables arising from exports	1,668,627	4,097,290
Other	26,105	755,793
	149,920,089	101,146,584
	30 June 2022	31 December 2021
Other non-current assets:		
Advances given	-	294,817
	-	294,817

NOTE 19 – RELATED PARTY TRANSACTIONS

i) As of 30 June 2022 and 31 December 2021, the details of related party balances are as follows:

a) Deposits at Banks:

	30 June 2022	31 December 2021
Yapı ve Kredi Bankası Anonim Şirketi (“YKB”)		
Time Deposits	123,467,990	6,802,835
Current Deposits	4,644,365	7,822,690
	128,112,355	14,625,525

b) Trade receivables due from related parties:

	30 June 2022	31 December 2021
Düzey (*)	489,850,941	408,572,926
Ram Dış Ticaret A.Ş.	22,098,010	24,063,916
Other	7,797	965,428
	511,956,748	433,602,270

(*) The Company’s domestic selling and marketing operations are carried out by the Koç Group Company, Düzey.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

c) Due to related parties:

Trade Payables	30 June 2022	31 December 2021
Zer Merkezi Hizmetler ve Ticaret A.Ş. (*)	26,203,937	19,337,955
Yapı Kredi Bankası A.Ş.	13,858,281	15,122,654
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	4,146,363	4,057,654
Ram Dış Ticaret A.Ş.	3,206,899	2,860,469
Ingage Dijital Pazarlama Anonim Şirketi ("Ingage")	2,106,460	2,792,808
Otokoç Otomotiv Tic.ve San.A.Ş.	1,331,202	1,002,904
Koç Digital Çözümler A.Ş.	1,015,964	1,015,964
Koç Holding Emekli ve Yardım Sandığı	220,462	24,709
Eltek Elektrik Enerjisi İthalat İhracat	190,947	-
Setur Servis Turistik A.Ş.	145,325	465,222
Ram Sigorta Aracılık Hizmetleri A.Ş.	105,770	1,395,871
Other	1,045,465	977,541
	53,577,075	49,053,751

Other payables	30 June 2022	31 December 2021
Koç Holding	5,023,256	11,724,613
Total Trade and Other Payables	58,600,331	60,778,364

(*) Supplies, services, logistics and media are purchased from Zer.

Lease liabilities	30 June 2022	31 December 2021
Otokoç Otomotiv Tic.ve San.A.Ş.	6,808,577	3,368,008
Temel Ticaret ve Yatırım A.Ş.	4,615,190	4,987,550
Total lease liabilities	11,423,767	8,355,558

ii) For the periods ended 30 June 2022 and 2021, the details of significant sales to related parties and purchases from related parties are as follows:

a) Sales to related parties:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Düzey (*)	566,076,052	450,922,236	308,714,965	305,138,136
Ram Dış Ticaret A.Ş.	93,726	53,187,309	(58,949,801)	27,550,280
Zer Merkezi Hizmetler ve Ticaret A.Ş.	58,272	68,416	17,714	19,119
	566,228,050	504,177,961	249,782,878	332,707,535

(*) The Company's domestic selling and marketing operations are carried out by the Koç Group Company, Düzey. Average maturity date for Düzey is 100 days (2021: 100 days). With the agreement signed between Düzey, which carries out the domestic marketing and sales activities of Tat Gıda, effective from January 1, 2022, taking into account the developments in Tat Gıda's activities and the sector, category and channel-based profit margins and target-based year-end turnover premiums were applied instead of discount rates.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

Purchase from related parties:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Zer Merkezi Hizmetler ve Ticaret A.Ş. (*)	33,232,635	13,920,379	18,881,145	6,556,006
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	7,656,841	-	3,704,591	-
Opet Petrolcülük A.Ş.	1,476,953	383,348	1,000,554	200,003
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	529,924	781,297	472,659	433,370
Arçelik Pazarlama A.Ş.	253,748	-	250,315	-
Koç Digital Çözümler A.Ş.	227,400	-	(9,328)	-
Koçtaş Yapı Marketleri Tic. A.Ş.	4,955	19,152	-	19,152
Divan Turizm İşletmeleri A.Ş.	-	31,598	-	5,355
Other	195,995	13,673	195,995	-
	43,578,451	15,149,447	24,495,930	7,213,886

(*) Company purchases packaging materials such as parcels, stretch, consumables such as caustic and nitric acid and all spare parts.

c) Services obtained from related parties:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Zer Merkezi Hizmetler ve Ticaret A.Ş.(***)	30,589,137	16,211,123	20,554,565	4,971,754
Koç Holding A.Ş. (**)	29,017,440	4,570,000	3,758,315	2,470,000
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	3,578,476	1,816,225	1,100,736	1,694,153
Ingage Dijital Pazarlama A.Ş.	3,141,992	1,249,389	2,321,024	820,601
Otokoç Otomotiv Tic. ve San. A.Ş.	2,395,904	1,225,276	1,386,870	417,816
Temel Ticaret ve Yatırım A.Ş.	1,683,318	1,167,342	841,659	463,614
Ram Dış Ticaret A.Ş.	1,475,876	1,358,931	641,954	1,233,021
Ram Sigorta Aracılık Hizmetleri A.Ş. (*)	1,075,255	215,948	232,874	89,662
Setur Servis Turistik A.Ş.	769,715	114,988	657,883	61,506
Other	570,165	121,494	351,702	80,402
	74,297,278	28,050,716	28,227,968	12,302,529

(*) In the context of insurance policies signed via acting as insurance agent Ram Insurance and insurance companies, it includes the amount of premium paid accrued in the period ended 30 June 2022 and 2021, respectively.

(**)The amount contains finance, legal consultancy, planning, tax consultancy, senior management service costs invoiced by the Company's parent company "Koç Holding" regarding their related services according to the distribution described in Regulation No:11 "Intra Group Services" of "General Communiqué No:1 related to Disguised Profit Distribution via Transfer Pricing".

(***) The Company purchases logistic, media and packaging services from Zer.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 19 - RELATED PARTY TRANSACTIONS (Continued)

iii) For the periods ended 30 June 2022 and 2021, the details of financial income to related parties are as follows:

a) Interest income:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Yapı ve Kredi Bankası A.Ş.	575,989	509	167,182	350
	575,989	509	167,182	350
b) Interest expense:	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Yapı ve Kredi Bankası A.Ş.	1,940,722	-	975,722	(1,592,250)
	1,940,722	-	975,722	(1,592,250)

iii) For the periods ended 30 June 2022 and 2021, the details of other income and expenses from / to related parties are as follows:

a) Rent payment:

	1 January - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Temel Ticaret	4,615,190	1,407,456	3,773,531	882,693
Otokoç	6,808,577	1,106,915	6,808,577	1,106,915
Zer	-	95,003	-	95,003
	11,423,767	2,609,374	10,582,108	2,084,611

b) Payments to key management:

Tat Gıda's senior executives have been determined as the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly reporting to the General Manager. As at 30 June 2022, the total amount of benefits provided to Tat Gıda's senior executives is TRY4,612,347 (30 June 2021: TRY4,188,598). After the costs incurred by Tat Gıda reflected to the companies it serves, short-term cost incurred by Tat Gıda has been realized as TRY4,226,276 (30 June 2021: TRY3,504,671).

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 20 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS

a) Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company's financial risk policies and credit risk management practices has not been a significant change compared to previous periods.

a.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Company according to the customer's credibility is evaluated continuously. Trade receivables consist of many customers that operate in various industries and locations. Credit risk of the receivables from counterparties are evaluated perpetually.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 20 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

30 June 2022	Receivables				Deposits in Banks	Banks
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)	511,956,748	85,281,418	-	3,532,651	300,920,979	-
The portion of the maximum risk guaranteed by collateral.	-	69,958,588	-	-	-	-
A. Net book value of financial assets not overdue or impaired	416,959,250	60,246,125	-	3,532,651	300,920,979	-
B. Conditions found in re-interviewed. otherwise, the carrying amount of financial assets overdue or impaired.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	94,997,498	25,035,293	-	-	-	-
- Collateral. vs secured part	-	69,958,588	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	2,622,789	-	-	-	-
- Impairment (-)	-	(2,622,789)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 20 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

	<u>Receivables</u>				<u>Deposits in Banks</u>	<u>Banks</u>
	<u>Trade Receivables</u>		<u>Other Receivables</u>			
	<u>Related Party</u>	<u>Third Party</u>	<u>Related Party</u>	<u>Third Party</u>		
31 December 2021						
Maximum credit risk exposure as of the reporting date (A + B + C + D + E)	433,602,270	40,280,329		2,943,146	106,046,019-	9,063,664
- The portion of the maximum risk guaranteed by collateral.	-	1,733,043			-	
A. Net book value of financial assets not overdue or impaired	320,093,772	35,910,948		2,943,146	106,046,019	9,063,664
B. Conditions found in re-interviewed. otherwise, the carrying amount of financial assets overdue or impaired.	-	-		-	-	-
C. Carrying value of financial assets that are past due but not impaired	113,508,498	2,636,338		-	-	-
- Collateral. vs secured part	-	1,733,043		-	-	-
D. Net book value of impaired assets	-	-		-	-	-
- Overdue (gross book value)	-	2,861,871		-	-	-
- Impairment (-)	-	(2,861,871)		-	-	-
- Not overdue (gross book value)	-	-		-	-	-
- Impairment (-)	-	-		-	-	-
E. Off-balances sheet items with credit risk	-	-		-	-	-

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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NOTE 20 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

a.2) Foreign Currency Management

Foreign currency transactions lead to Exchange risk for company. Exchange risk is managed with forward foreign exchange purchase/sale contracts based on authorized policies.

The foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

30 June 2022	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	76,026,938	3,082,308	1,390,756	13,775
2.a Monetary financial assets	72,732,029	813,126	3,344,492	28,416
2.b Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	148,758,967	3,895,434	4,735,248	42,191
5. Trade Receivables	-	-	-	-
6.a Monetary Financial Assets	-	-	-	-
6.b Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	148,758,967	3,895,434	4,735,248	42,191
10. Trade Payables	45,430,242	2,725,433	-	-
11. Financial Liabilities	-	-	-	-
12.a Other Monetary Financial Liabilities	407,089	24,422	-	-
12.b Other Non-monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	45,837,331	2,749,855	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16.a Other Monetary Financial Liabilities	1,300,313	78,008	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES	1,300,313	78,008	-	-
18. TOTAL LIABILITIES	47,137,644	2,827,863	-	-
19. Net asset /liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19.b Off balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset/liability position	101,621,323	1,067,571	4,735,248	42,191

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

NOTE 20 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

21. Net foreign currency asset/ liability position of non-monetary items	101,621,323	1,067,571	4,735,248	42,191
(1+2a+6a-10-11-12a-14-15-16a)	-	-	-	-
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
		TRY		
31 December 2021	Equivalent	USD	EUR	Other
1. Trade Receivables	93,341,335	4,618,087	2,069,232	31,668
2.a Monetary financial assets	62,324,585	1,335,809	2,950,916	-
2.b Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	155,665,920	5,953,896	5,020,148	31,668
5. Trade Receivables	-	-	-	-
6.a Monetary Financial Assets	-	-	-	-
6.b Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	155,665,920	5,953,896	5,020,148	31,668
10. Trade Payables	53,666,845	2,779,360	1,095,287	-
11. Financial Liabilities	53,412,000	4,000,000	-	-
12.a Other Monetary Financial Liabilities	342,530	25,652	-	-
12.b Other Non-monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	107,421,375	6,805,012	1,095,287	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16.a Other Monetary Financial Liabilities	916,171	68,612	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES	916,171	68,612	-	-
TOTAL LIABILITIES	108,337,546	6,873,624	1,095,287	-
19. Net asset /liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19.b Off balance sheet foreign currency derivative liabilities	-	-	-	-

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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NOTE 20 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

20. Net foreign currency asset/liability position	47,328,374	(919,728)	3,924,861	31,668
21. Net foreign currency asset/ liability position of non-monetary items (1+2a+6a-10-11-12a-14-15-16a)	47,328,374	(919,728)	3,924,861	31,668
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-

Foreign currency sensitivity

The Company is mainly exposed to foreign currency risk in USD, EUR and British Pound (“GBP”).

The following table details the Company’s sensitivity to a 20% increase and decrease in the USD and EUR. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit / loss and other equity.

	30 June 2022	
	Profit/Loss	
	Appreciation of foreign currency	Devaluation of foreign currency
In the case of appreciation of USD at 20% ratio compared to TRY		
1 – USD net asset / liability	3,559,069	(3,559,069)
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	3,559,069	(3,559,069)
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - EUR net asset / liability	16,594,298	(16,594,298)
5 – Part of hedged from EUR risk (-)	-	-
6- EUR net effect	16,594,298	(16,594,298)
In the case of appreciation of GBP at 20% ratio compared to TRY		
7 - GBP net asset / liability	170,898	(170,898)
8 – Part of hedged from GBP risk (-)	-	-
9 – GBP net effect	170,898	(170,898)
TOTAL	20,324,265	(20,324,265)

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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NOTE 20 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2021	
	Profit / Loss	
	Appreciation of Foreign currency	Devaluation of foreign currency
In the case of appreciation of US Dollar at 20% ratio compared to TRY		
1 - US Dollar net asset / liability	(2,451,811)	2,451,811
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect	(2,451,811)	2,451,811
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - Eur net asset / liability	11,842,640	(11,842,640)
5 – Part of hedged from EUR risk (-)	-	-
6- Eur net effect	11,842,640	(11,842,640)
In the case of appreciation of GBP at 20% ratio compared to TRY		
7 – GBP net asset / liability	113,794	(113,794)
8 – Part of hedged from GBP risk (-)	-	-
9 – GBP net effect	113,794	(113,794)
TOTAL	9,504,623	(9,504,623)

NOTE 21 – SUBSEQUENT EVENTS

Based on the authority set forth in Article 8 of the Company's Articles of Association, on 27 July 2022 by Board of Directors, the Company; issuing debt instruments up to TRY 1,000,000,000 (One Billion Turkish Lira) to be sold to qualified investors and/or privately, without public offering, once or more than once, after the issuance approval of the Capital Markets Board, within the period of validity of the issue limit; Subject to these limitations, it has been decided to authorize the Company management to determine the issuance conditions and to carry out the issuance transactions, and in this context, a separate application will be made to the Capital Markets Board for the approval of the issuance document.