

**TAT GIDA SANAYİ A.Ş.**  
**JANUARY 01 – MARCH 31, 2024 INTERIM OPERATING REPORT**



**TAT GIDA SANAYİ A.Ş.**  
**January 01, 2024 – March 31, 2024**  
**Interim Operating Report**

MAY 24, 2024

**TAT GIDA SANAYİ A.Ş.**  
**JANUARY 01 – MARCH 31, 2024 INTERIM OPERATING REPORT**

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## **I. INTRODUCTION**

### **1. Company's Organizational Structure and Operations**

Tat Gıda Sanayi A.Ş. ("Tat Gıda" or "Company") was founded in 1967 as Tat Konserve Sanayi A.Ş. The decision for the change of title was made at the Extraordinary General Assembly held on October 30, 2013 and the title has been registered on November 15, 2013. The Company engages in the production, distribution and marketing of all kinds of food products.

<b>Reporting Period:</b>	01.01.2024 – 31.03.2024
<b>Company Name:</b>	Tat Gıda Sanayi A.Ş.
<b>Trade Registry Office / Number:</b>	İstanbul / 96638
<b>Mersis No:</b>	0830003899000011
<b>Tax Office:</b>	İSTANBUL - Büyük Mükellefler Vergi Dairesi Başkanlığı
<b>Tax No:</b>	8300038990
<b>Address:</b>	Taşdelen Mah. Sırrı Çelik Bulvarı No: 7 Çekmeköy/İstanbul
<b>Internet Address:</b>	<a href="http://www.tatgida.com">www.tatgida.com</a>

### **2. Capital and Shareholder Structure**

#### **Capital:**

The Company's registered capital ceiling is TL250,000,000 and paid in capital is TL136,000,000 and that there has been no change during the period.

#### **Shareholder Structure:**

Tat Gıda ("Company") announced on Public Disclosure Platform ("PDP") through its Material Disclosure ("ÖDA") dated May 22, 2023 that its main shareholder Koç Holding A.Ş. has initiated studies regarding the sale of its shares. In this context, with the ÖDA dated January 8, 2024, published on PDP (<https://www.kap.org.tr/en/Bildirim/1234782>) Koç Holding declared that a Share Purchase and Sale Agreement has been signed for the sale of shares corresponding to 49.04% of Tat Gıda's share capital, held by Koç Holding, Koç Group companies including Arçelik and Aygaz, Koç Family Members and foundations associated with Koç Group, as well as for the sale of 15 founder's redeemed share certificates to Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi ("Memişoğlu").

Following the studies carried out subsequent to the aforementioned ÖDA, Tat Gıda published an ÖDA <https://www.kap.org.tr/en/Bildirim/1243986> through PDP on January 30, 2024 stating that it has transferred Ram Dış Ticaret A.Ş. shares (with a total nominal value of TL449,999.32, representing 7.5% of the capital) and Düzey Tüketim Malları Sanayi Pazarlama ve Ticaret A.Ş. (with a total nominal value of TL64,797.70, representing 1.1% of the capital), to Koç Holding A.Ş. on the same date, at a total transaction value of TL32,275,800.

Ultimately, Koç Holding disclosed an ÖDA (<https://www.kap.org.tr/en/Bildirim/1250562>) on February 19, 2024 through PDP stating that the shares representing 49.04% of Tat Gıda's capital have been transferred to Memişoğlu in exchange of USD80,915,335.72 share transfer value.

As per the ÖDA <https://www.kap.org.tr/en/Bildirim/1237522> dated January 9; an option agreement also has been signed between Temel Ticaret ve Yatırım A.Ş. ("Temel Ticaret") - the ultimate shareholder of Koç Holding - and Memişoğlu, granting Temel Ticaret the right to sell all or some of its Tat Gıda shares

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corresponding to 3.26% of Tat Gıda's capital to Memişoğlu, for a period of 6 months that will start as of the Closing Date and at the end of the six month period.

The Company's shareholders and their ownership shares in capital as of March 31, 2024 and December 31, 2023 are as follows:

**March 31, 2024**

Trade Name of Shareholder	Amount of Share (TL)	Share (%)
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	66,693,852.45	49.04
Kagome Co Ltd.	5,071,168.20	3.73
Sumitomo Corp.	2,077,983.34	1.53
Other	5,844,152.01	4.30
Float	56,312,844.00	41.41
<b>TOTAL</b>	<b>136,000,000.00</b>	<b>100.00</b>

**December 31, 2023**

Trade Name of Shareholder	Amount of Share (TL)	Share (%)
Koç Holding A.Ş.	59,364,947	43.65
Kagome Co Ltd.	5,071,168.20	3.73
Sumitomo Corp.	2,077,983.34	1.53
Temel Ticaret ve Yatırım A.Ş.	4,427,889	3.26
Other	8,745,169	6.42
Float	56,312,844.00	41.41
<b>TOTAL</b>	<b>136,000,000.00</b>	<b>100.00</b>

**3. Amendments Made to the Articles of Association During the Period**

There are no amendments made to the Articles of Association during the period.

**4. Board of Directors and Board Committees**

Within the framework of the provisions of the Turkish Commercial Code and the Company's Articles of Association, the Board of Directors is elected by the General Assembly to serve until the next Ordinary General Assembly. Changes in the Board of Directors during the period are made by the Board of Directors' resolution to be approved at the next Ordinary General Assembly.

However, as per the public disclosure made on February 19, 2024; following the sale of shares owned by Koç Holding, Koç Group companies, Koç Family Members and foundations associated with Koç Group corresponding to 49.04% of Tat Gıda's capital to Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi, Semahat Sevim Arsel, Mustafa Rahmi Koç, Mehmet Ömer Koç, Yıldırım Ali Koç and Caroline Nicole Koç, who are the members of the Board of Directors of Tat Gıda, have resigned from their duties. As per the Board of Directors resolution on the same date; Şerafettin Memiş has been assigned as the Chairman, Veysel Memiş as the Vice President, and Giyasettin Memiş, Nasip Memiş and Tuncer Memiş as the member of Board of Directors to the vacated seats, so as to be approved at the first upcoming general assembly and to assume duties until that date. Tuncer Memiş has been elected as the Risk Management Committee Member, following the resignation of Caroline Nicole Koç from the board of directors.

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Pursuant to the decision of the Ordinary General Assembly Meeting dated April 25, 2024, names of board of directors' members who will serve until the next Ordinary General Assembly Meeting to be held, are listed below.

Name - Surname	Title	Independence	Whether Executive or Not
Şerafettin Memiş	Chairman of the Board		Non - Executive
Veysel Memiş	Vice President of the Board		Non - Executive
Giyasettin Memiş	Board Member		Non - Executive
Tuncer Memiş	Board Member		Non - Executive
Nasip Memiş	Board Member		Non - Executive
Yoshihisa Hairo	Board Member		Non - Executive
Ayşe Selen Kocabaş	Board Member	Independent	Non - Executive
Haluk Ziya Türkmen	Board Member	Independent	Non - Executive
Mehmet Ormancı	Board Member	Independent	Non - Executive

The chairman of the board of directors and the general manager is different people. During the reporting period, there was no situation that abolished the independence of the independent members of the board of directors.

There is no prohibition imposed by the Company on members of the board of directors, and no action has been taken in this context.

As per its PDP announcement <https://www.kap.org.tr/en/Bildirim/1287239> dated May 16, 2024, the members of BoD Committees and their duties are presented below:

#### **Audit Committee**

Name - Surname	Title	Essence of the Board Membership
Haluk Ziya Türkmen	Audit Committee Chairman	Independent BoD Member
Mehmet Ormancı	Audit Committee Member	Independent BoD Member

#### **Corporate Governance Committee**

Name - Surname	Title	Essence of the Board Membership
Ayşe Selen Kocabaş	Corporate Governance Committee Chairman	Independent BoD Member
Haluk Ziya Türkmen	Corporate Governance Committee Member	Independent BoD Member
Başak Tekin Özden	Corporate Governance Committee Member	Executive

#### **Early Detection of the Risk Committee**

Name - Surname	Title	Essence of the Board Membership
Mehmet Ormancı	Early Detection of the Risk Committee Chairman	Independent BoD Member
Ayşe Selen Kocabaş	Early Detection of the Risk Committee Member	Independent BoD Member

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**5. Senior Management**

As of March 31, 2024, the senior management of the Company is composed of the executives whose titles and duties are indicated in the table below:

Name - Surname	Duty	Education	Graduation Year	Professional Experience (years)
Evren Albaş	General Manager	METU, Department of Mechanical Engineering MBA at İTÜ	1993 1998	30 Years
Başak Tekin Özden	Assistant General Manager, Financial Affairs and Finance	METU, Department of Mechanical Engineering MBA at Bilkent Uni.	1997 1999	25 Years
Esra Süzme	Assistant General Manager, Marketing	Boğaziçi University, Business Administration MBA at Maryland Uni.	1997 1999	25 Years
Hakan Turan	Assistant General Manager, Trade and Operation	İTÜ Department of Mechanical Engineering MS at Boğaziçi Uni.	1987 1990	34 Years
Ahmet Boz	Assistant General Manager, Plant Operations, R&D and Technology	İTÜ, Department of Industrial Engineering MBA at Koç Uni.	2006 2017	18 Years
Tülay Demir*	Human Resources Director	METU, Department of Sociology	2003	21 Years
Onur Bahadır**	Information Technologies Director	Anadolu Uni. Business Administration Sabancı Uni. Business Administration	2004 2008	24 Years
Çiğdem Şahin**	Agile Transformation and Project Management Office Director	Galatasaray Uni, Department of Industrial Engineering	2002	22 Years

\* Fatma Gül İlme was appointed as Human Resources Director, replacing Tülay Demir, who resigned her duty as of May 23, 2024.

\*\* Çiğdem Şahin was appointed as Information Technologies and Project Management Director, replacing Onur Bahadır, who resigned his duty as of May 8, 2024.

**6. Payments Made to the Senior 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 March 31, 2024, the total amount of total benefits provided to Tat Gıda's senior executives is TL35,906,232 (March 31, 2023: TL10,690,969). All of the payments are short-term in nature and do not include separation payments.

**7. Employees**

The number of personnel employed within the Company as of March 31, 2024 and March 31, 2023 are as follows:

	January 1 – March 31, 2024		January 1 – December 31, 2023	
	Period End	Average	Period End	Average
Permanent Personnel	428	436	448	455
Temporary Personnel	277	286	291	524
<b>Total</b>	<b>705</b>	<b>722</b>	<b>739</b>	<b>979</b>

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**Severance Liability:**

The severance liability of the Company as of March 31, 2024 is TL73,591,313. (December 31, 2023: TL73,746,526).

**8. Branches**

None.

## II. EVALUATION REGARDING OPERATIONS

### 1. Tat Gıda Operations

**Production Facilities and Their Capacities:**

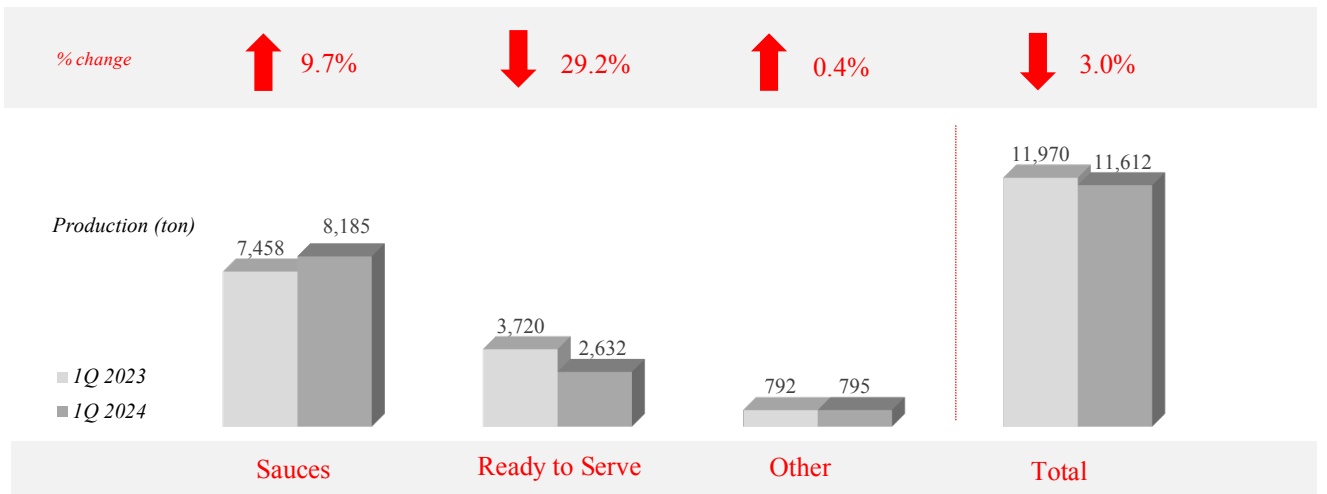
Production Facilities	Products
Mustafakemalpaşa / BURSA	Tomato products, Canned Food, Dressing, Jam
Karacabey / BURSA	Tomato Paste, Canned Food
Torbalı / İZMİR	Tomato Paste

Production Capacity	Tons / Units
Tomato Processing (tons/day)	2,800 (Mustafa Kemal Paşa); 5,450 (Karacabey); 2,900 (Torbalı)
PET (sauce) filling (units/year)	75 million (To increase to 120 million units by the mid of 2025)
Ready to Serve (units/day)	180,000 (To increase to 230,000 units by the mid of 2025)

### 2. Tat Gıda 1Q 2024 Financial Results Evaluation

**Production:**

Production is mainly realized in the third quarter due to seasonality. In the period of January 1 - March 31, 2024, Tat Gıda's production decreased by 3% compared to a year ago, coming at 11,612 tons.



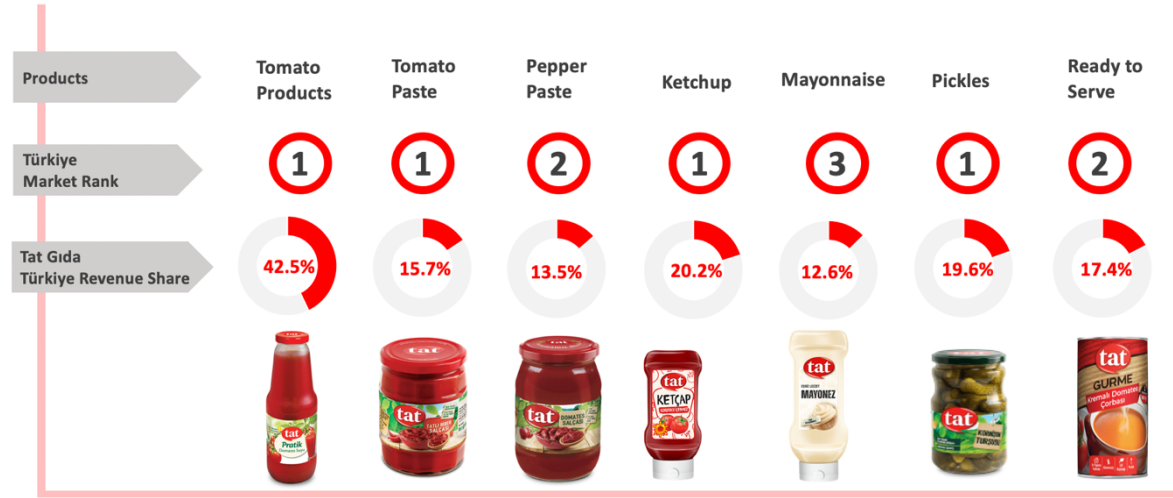
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**Sales:**

In the first three months of 2024, Tat Gıda's total sales volume rose by 5.3%, net sales revenues declined to TL1,540,494,347 by 20.9% compared to a year ago to particularly due to the domestic market.

Tat Gıda's domestic net sales decreased by 34.0% compared to 1Q 2023 and reached TL916,013,658. The ongoing decline in purchasing power in the domestic market has increased the price sensitivity of consumers, directing demand to price-focused campaigns and market brands. In this period, Tat Gıda focused on protecting its brand position and fast growth in value added categories such as sauces.

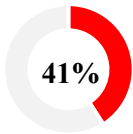
Although there may be temporary loss of market share in some months depending on campaign periods, market shares may normalize again during the year. With its solid brand, Tat Gıda is positioned as a brand that can maintain its category leadership for a long time, in most of the products it offers to the consumers.



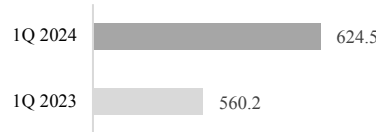
\* Nielsen (1Q 2024), Market shares based on revenue share excluding discount markets

Focusing on growth in foreign markets, the Company's export revenues increased by 11.5% in 1Q 2024, reaching TL624,480,689 (USD19,986,876; 17.6% increase); while the share of exports in total revenues went up to 41% in the same period. (1Q 2023: 29%).

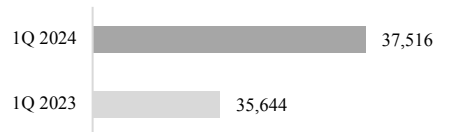
**Share of Exports (%)**



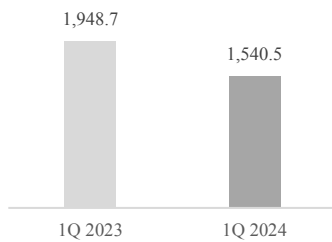
**Export Revenues (TL mln)**



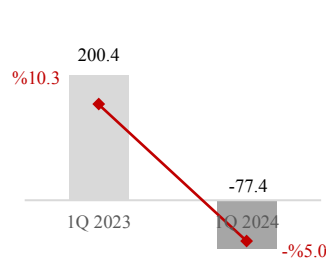
**Total Sales Ton (000)**



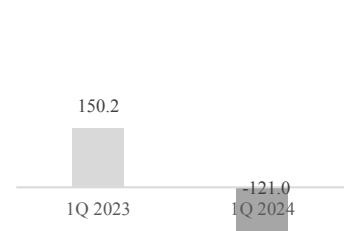
**Total Revenues (TL mln)**



**EBITDA (TL mln) & EBITDA Margin (%)**



**Net Income / Loss (TL mln)**





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Due to the seasonality in tomato production, the harvest period and product purchases mainly take place in the third quarter. The cost rise in 2023 harvest season was reflected on the *Cost of Sales* in the first three months of the year. Besides, the demand and price pressure in the market, due to the higher impact of inflation and inventory periods compared to the first quarter of 2023, Tat Gıda's *Gross Profit* decreased by 68.8% on an annual basis, reaching TL94,482,905.

*Operating Expenses* increased by 14.9% year on year in the first quarter of this year. In this period, Love Mark communication activities for Tat Ketchup product were carried out. The communication activities resulted in an immediate outcome, contributing to the market share of Tat Ketchup to reach its highest levels of late.

The Company's *Loss from Operating Activities* realized at TL98,896,897. As a result of deteriorating revenues and rising operational expenses, EBITDA decreased to -TL77,403,861. (1Q 2023: TL200,402,570)

In addition to investments; on the back of increasing financing need in the last quarter of the year due to seasonality, Tat Gıda's *Net Financial Debt* excluding leasing liabilities, slid to TL2,751,235,925 as of March 31, 2024 from TL3,220,246,645 at the end of December 31, 2023. As of March 31, 2024; 26% of the Company's total Short and Long Term financial debt was TL denominated loans, and 33% were bonds issued. *Net Financing Expenses* increased by 15.3% to TL255,867,848 with the rising interest rates.

With the transition to inflation accounting, Cost of Goods Sold increased due to seasonality in production and high inventory periods of durable products, while *Monetary Gain* recorded as a result of the indexation effect went up by 9.4% to TL264,198,373.

Ultimately, Tat Gıda recorded a Net Loss of TL121,036,898. (1Q 2023: TL150,151,764 Net Profit)

### **3. Investment**

The total amount of investment realized as of March 31, 2024 is TL38,234,916. (March 31, 2023: TL60,137,068)

### **4. Research and Development**

The R&D Center focuses on topics including sustainable agriculture, sustainable food value chains, creating healthy, nutrient-rich meals, practical products and reducing waste and packaging. At the Center, a team of 18 people consisting of 14 engineers, 3 technicians, and 1 support personnel work, who are food engineers, chemical engineers, material engineers, metallurgy engineers, and food technicians, and all are experts in their fields. The Center carries out studies to use innovative farming technologies, digitalization, and green energy in agriculture and the industry, in addition to create nutritious, practical products. Furthermore, the Center engages in projects such as alternative proteins that are currently on the world agenda, turning food waste into value-added products, and reducing the use of packaging. As a result of projects carried out, new products were offered in the ready-to-eat food and sauce categories, in addition to launch of new packaging for doypack ready meals, and stickpack sauces. In 2024, the Center focuses on alternative proteins through the ProxIMed project, while also carries out research on green energy within the context of SolarHub, PV4Plants, and S-ATP projects. The total amount of R&D expenses realized as of March 31, 2024 is TL15,906,021. (March 31, 2023: TL5,730,926)

### **5. Donation and Aids**

The amount of donations and aid made to various social organizations as of March 31, 2024 is TL1,529,531 (Mart 31, 2023: TL3,650,191)

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## **6. Developments Regarding Capital Market Instruments During The Period**

The sale transaction of financial bond with ISIN Code TRFTATK92416, 179-day maturity having 51% fixed interest coupon payment at the end of maturity with the redemption date on September 3, 2024, to be sold to local qualified investors without public offering has been completed on March 6, 2024. The final issuance amount was realized at TL232,250,000, within the issuance limit approved by the Capital Markets Board's decision dated December 21, 2023 and numbered 80/1739. Settlement date for the issuance was 08.03.2024.

The coupon payment and redemption payment of the financial bill with the ISIN code TRFTATK32412 has been made on March 11, 2024.

Coupon payment of our company's bond with TRSTATK32514 ISIN code was made on February 29, 2024.

## **7. Share Price and Market Capitalization**

Tat Gıda's market capitalization was TL4,596,800,000 based on the closing value of TL33.80 of its shares on January 2, 2024. Market capitalization came in at TL3,500,640,000 based on the closing value of TL25.74 of its shares as of the last trading date on March 29, 2024.

## **8. Other Developments Disclosed on PDP Between January 1 – 31 March**

The announcement <https://www.kap.org.tr/en/Bildirim/1264572> regarding the notification and invitation of 2023 Ordinary General Assembly Meeting to be held on April 25, 2024 has been disclosed on March 29, 2024.

On the same date, the following resolutions of the Board of Directors to be submitted to the approval of the General Assembly, were also made public on PDP.

The election of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Independent Audit Company: <https://www.kap.org.tr/en/Bildirim/1264570>

Due to the fact that Tat Gıda did not record net distributable profit for the period since i) the Company recorded net loss for the period in its inflation-adjusted 2023 financial statements, prepared in accordance with TFRS, and that ii) it recorded previous year losses resulting from inflation adjustments; TL25,653,595.65 which is the profit for the current year according to TPL records, not adjusted for inflation, without any profit distribution, shall be set aside as extraordinary reserve funds: <https://www.kap.org.tr/en/Bildirim/1264571>

## **9. Announcements Disclosed on PDP Post Reporting Period**

May 17, 2024: Announcement regarding coupon and redemption payment of the financial bond with the ISIN code TRSTATK52413 <https://www.kap.org.tr/tr/Bildirim/1287470>

May 16, 2024: Announcement regarding the determination of members of the Board Committees and the distribution of responsibilities <https://www.kap.org.tr/tr/Bildirim/1287239>

April 26, 2024: Disclosure of Tat Gıda regarding the rating revision of Credit Rating Agency JCR Eurasia Rating <https://www.kap.org.tr/en/Bildirim/1277920>

Disclosure made by JCR Avrasya Derecelendirme A.Ş.: <https://www.kap.org.tr/en/Bildirim/1277619>

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April 25, 2024: Announcement regarding the result of General Assembly, together with its annexes (Minutes and List of Participants) made public following the General Assembly Meeting <https://www.kap.org.tr/en/Bildirim/1277282>

April 25, 2024: Announcement regarding General Assembly decision not to distribute dividends <https://www.kap.org.tr/en/Bildirim/1277284>

April 25, 2024: Announcement regarding the election of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Independent Audit Company : <https://www.kap.org.tr/tr/Bildirim/1277285>

April 18, 2024: Announcement regarding the decision to invest EUR 10 million in total in the sauce and ready meal categories to increase the total pet bottle (sauce) production capacity from 75,000,000 units/year to 120,000,000 units/year and ready meal production capacity from 180,000 units/day to 230,000units/day. <https://www.kap.org.tr/en/Bildirim/1274755>

April 17, 2024: The coupon and redemption payment of the financial bill with the ISIN code TRFTATK42411 <https://www.kap.org.tr/en/Bildirim/1273521>

April 15, 2024: The coupon and redemption payment of the financial bill with the ISIN code TRFTATK42437 <https://www.kap.org.tr/en/Bildirim/1271991>

April 5, 2024: 2023 Financial Result Announcement

Annual Report Statement of Responsibility: <https://www.kap.org.tr/en/Bildirim/1267898>

Annual Report: <https://www.kap.org.tr/en/Bildirim/1267894>

Sustainability Compliance Report: <https://www.kap.org.tr/en/Bildirim/1267897>

Corporate Governance Compliance Report: <https://www.kap.org.tr/en/Bildirim/1267896>

Corporate Governance Information Form: <https://www.kap.org.tr/en/Bildirim/1267895>

April 3, 2024: The coupon and redemption payment of the financial bill with the ISIN code TRFTATK42429 <https://www.kap.org.tr/en/Bildirim/1266384>

April 3, 2024: The completion of the sale transaction of financial bond with ISIN Code TRFTATK72418, the issuance of which has started on April 2, 2024 <https://www.kap.org.tr/en/Bildirim/1266107>

April 3, 2024: Approval of Tat Gıda as the official supplier for the collaboration with the United Nations World Food Programme (WFP) <https://www.kap.org.tr/en/Bildirim/1266091>

### **III. INFORMATION REGARDING FINANCIAL STRUCTURE**

#### **1. Summary Financial Tables**

<b>Summary Balance Sheet (TL)</b>	<b>March 31, 2024</b>	<b>31 December, 2023</b>	<b>Change</b>
Current Assets	4,861,406,875	5,667,157,755	-14.2%
Non Current Assets	1,874,786,889	1,921,327,652	-2.4%
<b>Total Assets</b>	<b>6,736,193,764</b>	<b>7,588,485,407</b>	<b>-11.2%</b>
Short Term Liabilities	2,722,009,193	3,698,608,316	-26.4%
Long Term Liabilities	1,350,682,165	1,192,141,320	13.3%
<b>Total Liabilities</b>	<b>4,072,691,358</b>	<b>4,890,749,636</b>	<b>-16.7%</b>
<b>Total Equity</b>	<b>2,663,502,406</b>	<b>2,697,735,771</b>	<b>-1.3%</b>
<b>Net Financial Debt / (Cash)<sup>1</sup></b>	<b>2,751,235,925</b>	<b>3,220,246,645</b>	<b>-14.4%</b>

<sup>[1]</sup> Net Financial Debt calculation does not include Short Term and Long Term Leasing Liabilities.

<b>Summary Income Statement (TL)</b>	<b>Jan 1 – Mar 31 2024</b>	<b>Jan 1 – Mar 31 2023</b>	<b>Change</b>
Sales	1,540,494,347	1,948,705,570	-20.9%
Gross Profit	94,482,905	302,978,340	-68.8%
Operational Expenses (-)	-279,743,167	-243,417,048	14.9%
Other Income / (Loss) from Operating Activities, net	86,363,365	108,533,047	-20.4%
<b>Operating Income / (Loss)</b>	<b>-98,896,897</b>	<b>168,094,340</b>	<b>n.m.</b>
Income / (Loss) from Investing Activities, net	2,127,097	6,723,371	-68.4%
Financing Income / (Loss), net	-255,867,848	-221,886,923	15.3%
Monetary Gain /(Loss)	264,198,373	241,724,039	9.3%
Tax Income / (Loss)	-32,597,623	-44,503,062	-26.8%
<b>Net Profit for the Period</b>	<b>-121,036,898</b>	<b>150,151,764</b>	<b>n.m.</b>

<b>Other Financial Data</b>	<b>Jan 1 – Mar 31 2024</b>	<b>Jan 1 – Mar 31 2023</b>	<b>Change</b>
Amortization	21,493,036	32,308,231	-26.1%
Investment	38,234,916	60,137,068	-36.4%
<b>Earnings Before Interest, Tax, Amortization (EBITDA)<sup>2</sup></b>	<b>-77,403,861</b>	<b>200,402,570</b>	<b>n.m.</b>

<sup>(2)</sup> EBITDA is calculated as “Gross Profit – Operating Expenses + Other Income (Loss) From Operating Activities + Amortization.”

#### **2. Comparative Ratios with Previous Years**

The Company's balance sheet ratios have improved as of 1Q 2024 compared to a year ago.

<b>Financial Ratios</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Current Ratio	1.79	1.53
Liquidity Ratio	0.84	0.58
Current Assets / Total Assets	0.72	0.75
Net Financial Debt / Total Equity	1.07	1.24
Short Term Liabilities /Total Liabilities	0.67	0.76

### **3. Results and Forward Looking Expectations**

Tat Gıda has performed in line with expectations in the 1Q 2024.

### **4. Capital Adequacy**

According to the evaluations made in accordance with Article 376 of the Turkish Commercial Code, the Company is not in any state of insolvency.

### **5. Measures Taken for Improving the Financial Structure of the Company**

For capital management, the Company aims to increase its profits by utilizing the debt and equity balance in the most efficient way, while trying to ensure the continuity of its activities. In this context, it continues its activities in the area of treasury and corporate finance, including issuing bond.

## **IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE**

### **Statement of Compliance with Corporate Governance Principles**

In accordance with how important Tat Gıda considers compliance with the “Corporate Governance Principles” enacted by the Capital Markets Board (“CMB”), in 2023, the Company fully complied with all the obligatory principles enforced by Corporate Governance Communique (the Communique) No. II-17.1 in 2022, while also complying with a majority of the nonobligatory principles. Tat Gıda’s goal is to comply fully with the nonobligatory Corporate Governance Principles, and the Company puts maximum effort towards this end. Yet, it has not achieved full compliance for several reasons, such as challenges arising from the application of some of the principles, ongoing discussions concerning compliance with certain principles both in Türkiye and internationally, and the mismatch of some principles with the structure of the Company and the market. Tat Gıda continues to work on the principles that have not yet been applied, and following analyses of the administrative, legal, and technical infrastructure of the Company, it will consider applying them to contribute to its efficient management.

SAHA Corporate Governance and Credit Rating Services, Inc. (SAHA), which is authorized to carry out ratings in accordance with the Corporate Governance Principles by Capital Markets Board (CMB), revised up Tat Gıda’s Corporate Governance Rating to 9.60 (96.02%) on December 28, 2023. On January 25, 2024, Tat Gıda signed an agreement with SAHA for another rating period.

The Corporate Governance Compliance Report and the Corporate Governance Information Form, which includes updated information on corporate governance practices, for the period between January 1 – December 31, 2023 were published simultaneously with the year-end annual report on the Public Disclosure Platform. Further information is available at the following links:

Corporate Governance Information Form: <https://www.kap.org.tr/tr/Bildirim/1267895>

Corporate Governance Compliance Report: <https://www.kap.org.tr/tr/Bildirim/1267896>

## **V. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT**

### **Statement of Compliance with Sustainability Principles**

Tat Gıda monitors the best practices in terms of sustainability, including Capital Markets Board’s (CMB) Sustainability Principles and performs its activities with the aim of ensuring compliance to these best practices. Many of the issues stated in the Sustainability Principles enacted by CMB in 2020 overlap with

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the principles of Tat Gıda’s sustainability strategy. Within this framework, Tat Gıda Sanayi A.Ş. complies with many of the voluntary principles mentioned in Sustainability Principles enacted by CMB with a “comply-or-explain” approach. However, full compliance is not yet achieved for reasons such as the difficulties in implementation of some principles, the uncertainties in this area in both local and global arena, the mismatch between some of the principles and the company structure, the intention to design the compliance structure based on the outcome of ongoing studies, etc. For the principles where the Company currently does not fully comply with, it is intended to ensure full compliance after the review of the global best practices and the completion of technical infrastructure and data collection analysis throughout the Company with the purpose of supporting its efforts to create value in a sustainable manner.

Further information is available in the Sustainability Compliance Report disclosed on the PDP <https://www.kap.org.tr/tr/Bildirim/1267897> on April 5, 2024.

## **VI. OTHER INFORMATION**

**The explanations regarding developments that significantly affected the Company's operations in this period are presented above. For other information, please refer to:**

**I) 2023 Annual Report:**

[Tat Gıda 2023 Annual Report](#)

**II) 2023 Sustainability Report:**

[Tat Gıda 2022 Sustainability Report](#)

**III) Financial Tables and Independent Audit Report:**

[Financial Reports](#)

### **DISCLAIMER**

This Interim Operating Report (“Report”) has been prepared in compliance with the legal regulations in force. The Report was written only to inform the shareholders, and does not serve the purpose to lay the ground for any investment decision. The opinions stated in the Report regarding the future and projections reflect the Company Management’s view on the future situation; their materialization may differ depending on the variables and assumptions that yield the projections. Accordingly, the Company or Members of the Board of Directors, advisors or employees cannot be held liable for any information or communication conveyed as part of this Report or for any direct or indirect loss and damages that may be incurred on any individual because of information based on/omitted from the content of this report. It is believed that all information in the Report was accurate at the time of preparation. The Company rejects any responsibility for errors that may occur during writing or printing.