

Tat Gida
2023
Annual
Report



Contents

Tat Gıda at a Glance

- 6 Main Financial Indicators
- 7 Summary Operating Results
- 8 Production Plants
- 12 Vision-Mission
- 13 Competitive Advantages
- 14 Milestones
- 16 Capital and Shareholding Structure
- 17 Equity Share Performance

Management

- 20 CEO Message
- 24 Board of Directors
- 28 Senior Management

Tat Gıda in 2023

- 32 The Food and Agriculture Sector in 2023
- 38 Production and Sales
- 39 Investments and Financing
- 40 Marketing Activities
- 44 Exports

Sustainability

- 48 Sustainability Strategy
- 50 1 - Our Roots Values
 - 51 A. Compliance Policy
 - 52 B. Ethical Principles
- 54 2 - Our Soil The World
 - 55 A. Digital Agriculture
 - 59 B. Environment and Energy Management
- 64 3 - Our Effort People
 - 65 A. Human Resources
 - 71 B. Occupational Health and Safety
- 74 4 - What We Share Society
 - 75 A. Sustainable Agriculture with Farmers
 - 76 B. R&D
- 80 Digital Transformation
- 82 Quality

Corporate Governance

- 88 Corporate Governance Disclosures
- 95 Risk Management and Internal Audit
- 97 Legal Disclosures
- 99 Corporate Governance Information Form
- 105 Corporate Governance Compliance Report
- 112 Declaration of Compliance with Sustainability Principles
- 114 Sustainability Principles Compliance Report
- 124 Statement of Responsibility for Financial Statements
- 125 Statement of Responsibility for Annual Report
- 126 Independency Declaration

General Assembly

- 132 Agenda of the Ordinary General Meeting of Shareholders
- 133 Independent Auditor's Compliance Opinion on the Annual Report
- 135 Dividend Distribution Policy
- 136 Dividend Distribution Proposal
- 138 Remuneration for Senior Managers and Members of the Board of Directors

Financial Report

- 142 Independent Auditor's Report
- 149 Balance Sheet
- 151 Income Statement
- 152 Statement of Changes in Equity
- 154 Cash Flow Statements
- 155 Footnotes
- 216 Contact

Tat made a breakthrough when it launched its Ready to Eat dishes in 2022, and it continued to grow this year. With an approach that prioritizes consumer preferences and demands at every stage, the Tat Ready to Eat Meals family has been completely revamped. With innovative products ranging from cold legume salads to soups, and from hot meals to pilafs, Tat Ready to Eat Meals has strengthened its family with 12 new products.





Tat: You'll Clean Up Your Plate



Tat Gıda at a Glance

- 6 Main Financial Indicators
- 7 Summary Operating Results
- 8 Production Plants
- 12 Vision-Mission
- 13 Competitive Advantages
- 14 Milestones
- 16 Capital and Shareholding Structure
- 17 Equity Share Performance



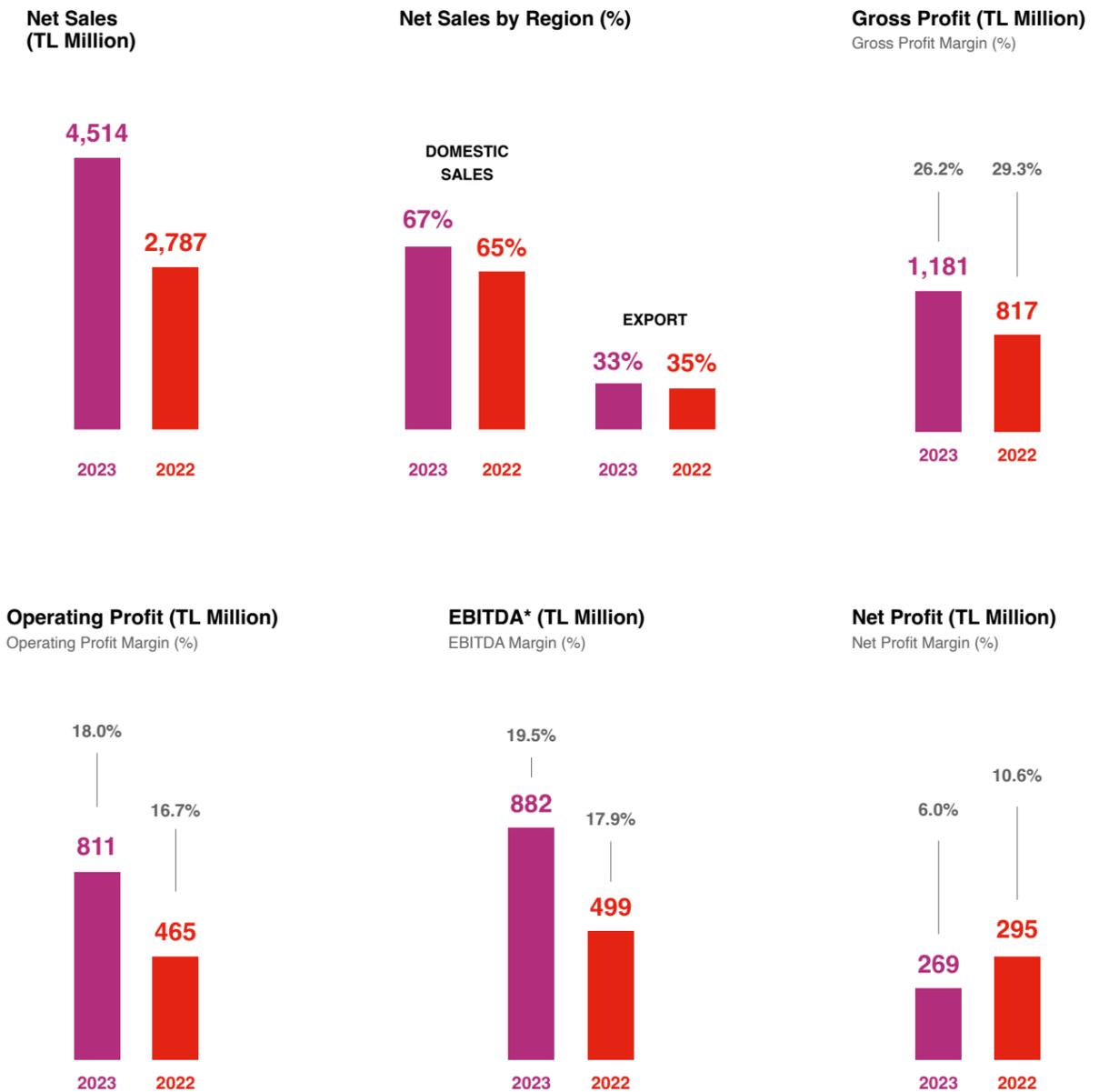
Main Financial Indicators

TL Million	2023	2022
Income Statement - Summary		
Net Sales	5,752	5,249
Gross Profit	364	469
EBITDA*	74	-72
Operating Loss	-120	-212
Loss Before Tax	-62	-65
Net Loss	-86	-149
Balance Sheet - Summary		
Current Assets	4,925	6,776
Cash & Equivalents	93	474
Trade Receivables	1,339	1,391
Inventories	3,077	4,264
Non-current Assets	1,682	1,430
Total Assets	6,608	8,207
Current Liabilities	3,215	5,120
Short-term financial borrowings	1,400	3,152
Short-term portion of long-term borrowings	725	674
Trade payables	885	1,049
Non-current Liabilities	1,036	483
Long-term financial borrowings	865	247
Shareholder's Equity	2,357	2,603
Total Liabilities & Equity	6,608	8,207
Ratios		
Gross Margin (%)	6.3	8.9
EBITDA Margin (%)	1.3	-1.4
Net Loss Margin (%)	-1.5	-2.8
Current Ratio	1.53	1.32
Liquidity Ratio	0.58	0.49
Net Financial Debt/Equity	1.23	1.38

* EBITDA: Operating Profit without Depreciation and Amortization

Historical Financials*

(Unaudited historical financials without IAS 29)



EBITDA: Operating Profit without Depreciation and Amortization

Production Plants

Continuing its operations at its Mustafakemalpaşa-Bursa, Karacabey-Bursa, and Torbalı-İzmir Plants, Tat Gıda meets customer expectations regarding quality and food safety, producing reliable, healthy, and high-quality products for domestic and international markets in full compliance with legal regulations and in line with international quality and food safety standards.

Producing in accordance with its Total Quality Management philosophy, all Tat Gıda Production Plants have earned ISO 9001 Quality, BRCGS, and IFS Food Safety and Halal certificates approved by GFSI (Global Food Safety Initiative).

One of the most long-established and pioneering companies in Türkiye. Tat Gıda continues its successful operations at its Mustafakemalpaşa-Bursa, Karacabey-Bursa and Torbalı-İzmir plants with the goal of providing consumers with the most natural, safest and delicious products.



Mustafakemalpaşa-Bursa

Date of Opening: 1968

Total Area: 474.000 m²

Indoor Area: 52.250 m²

Products: Tomato paste, Pepper paste, Tomato products, Canned vegetables, Sauces, Ready to Serve Food, Pickles

Tomato Processing Capacity: 2,800 tons/day

Main Specifications:

- Besides seasonal tomato production, this is the only production center for all other products such as pepper paste, RO tomato puree, pickles, and canned vegetables, as well as sauces and ready to serve foods. With its wide product range and installation capacity, it's advantages of both flexibility and economies of scale make it stand out.
- End-product production capacity is 93,000 tons per year. Tomato processing capacity is 122,000 tons per year.
- The Mustafakemalpaşa Plant is the central campus for all operations.
- This plant has BRCGS and IFS food safety certifications.
- The Mustafakemalpaşa Plant has also earned ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System certifications.
- The plant is subject to Amfori BSCI social compliance and ethics audits.
- The plant is also subject to SQMS food safety and SWA social compliance and ethics audits as part of its production for customers. The plant undergoes JAS audits for its production for Japanese Kagome.
- The plant has FDA, Organic Entrepreneur, and Halal certifications for specific products.

Karacabey-Bursa

Date of Opening: 1977

Total Area: 216.500 m²

Indoor Area: 31.750 m²

Products: Paste, Tomato Products

Tomato Processing Capacity: 5,450 tons/day

Main Specifications:

- The Karacabey Plant boasts Türkiye's largest tomato processing capacity under one roof. Its annual tomato processing capacity is more than 300,000 tons, and its end-product production capacity is 60,000 tons per year.
- The Karacabey Plant's high level of installation capacity, production amount, and its advantage of economy of scale makes it stand out. It is also the center of Tat tomato expertise with a product range consisting entirely of tomatoes.
- It has been producing tomato paste and tomato products with its high-tech infrastructure due to recent years of investments.
- It is the only production center producing diced and peeled tomatoes.
- The Karacabey Plant has BRCGS and IFS food safety certifications and also has ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System certificates.
- The plant undergoes JAS audits for its production for Japanese Kagome.
- The plant has FDA, Organic Entrepreneur, and Halal certifications for specific products.

Torbalı-İzmir

Date of Opening: 2006

Total Area: 49.350 m²

Indoor Area: 9.700 m²

Products: Paste, Fruit mash concentrate

Tomato Processing Capacity: 2,900 tons/day

Main Specifications:

- The Torbalı Plant is a lean production center with a focused product range. In recent years, it has expanded its product range with the addition of applesauce.
- The Torbalı Plant has BRCGS and IFS food safety certifications. It also has ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System certificates.
- The Plant has Halal Certificate for specific products.

Tat Gıda is committed to its quality, food safety, environmental, and energy policies, as it proves through its certificates, which are the guarantors of compliance with international standards. It identifies and controls the factors that affect human and environmental health in all its operations from field to fork, to provide its consumers with quality, safe, and sustainable food.

Its plant certificates:

- BRCGS Food Version 9
- IFS Food Version 7
- TS EN ISO 9001:2015 Quality Management System
- TS EN ISO 14001:2015 Environmental Management System
- TS EN ISO 50001:2018 Energy Management System
- Halal Certificate
- Kosher – Denet (KCB)
- Kosher – Badatz (KCB)
- FDA - Registrar Corp (Food and Drug Administration) (KCB and MKP products)
- Organic Agricultural Plant Certificate TR - CTR Certification (KCB and MKP products)
- AS Organic (Japanese Agricultural Standards) (KCB)

HIGHLIGHTS OF 2023

Sauce group production and investments grow

Growing since 2021, sauce group production volume grew 21% on average between 2020 and 2022, and closed 2023 with 24% growth.

2023 saw record high production in both the total sauce group and in the PET bottle sauce group on a monthly basis.

Capacity investments were accelerated, increasing the sales volume of sauce. In the last 2 years, the Company installed 3 new portion sauce filling lines. In addition, investment was made in 2023 for a 2nd PET bottle sauce filling line, increasing PET bottle sauce production capacity from 45 million to 75 million units per year. Mayonnaise preparation capacity was doubled.

Running for two years, the OHS Cultural Transformation and Awareness Project resulted in dramatic decreases in accident frequency in 2023, decreasing 64%.

In the Ready to Serve Foods category, a new packaging line was installed.

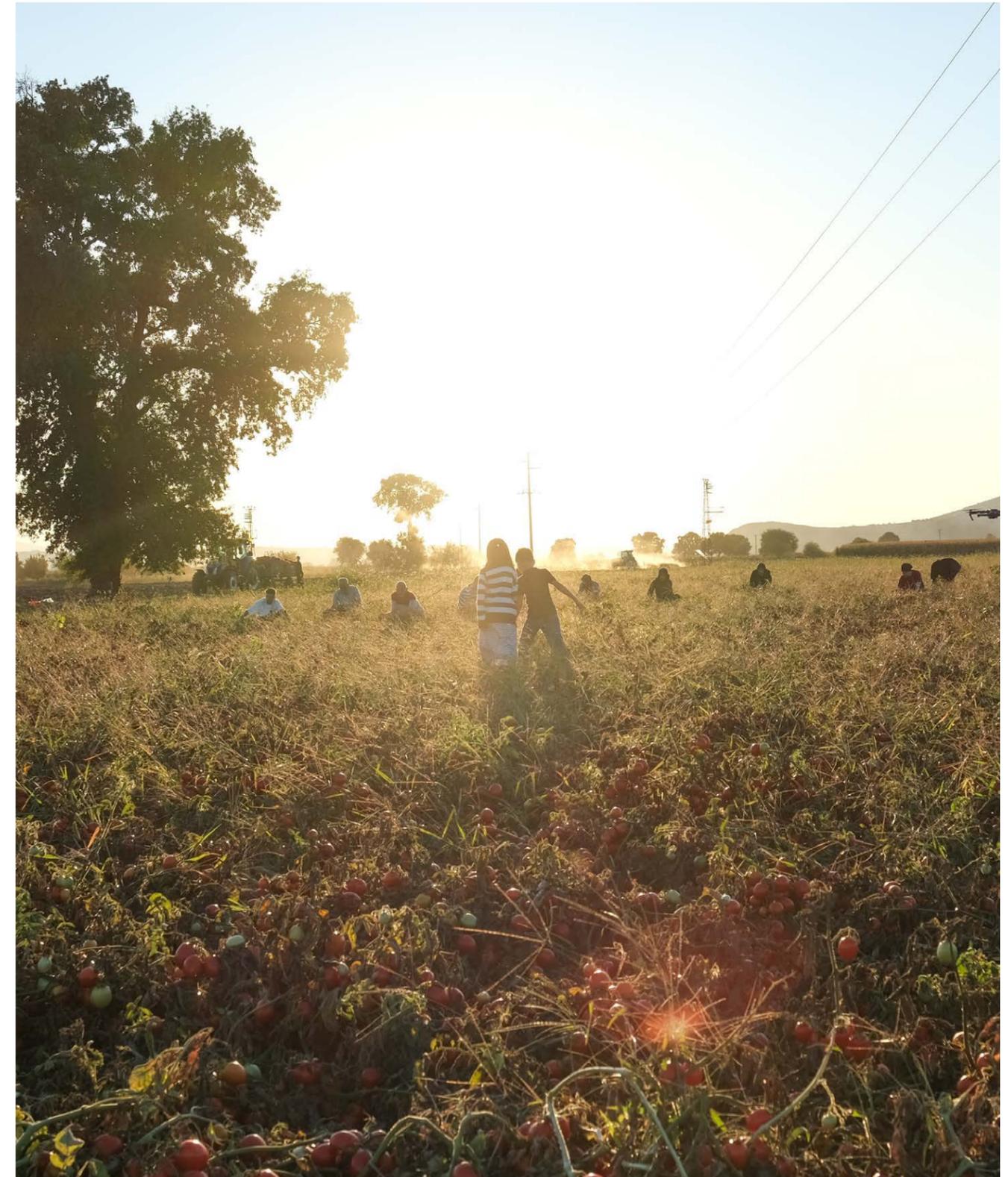
The Ready to Serve Foods product range was expanded by 12 new SKUs. The new packaging line investment allows for doypack format as well as box and tray formats. After intensive R&D work, two product groups were added in the forms of open & eat and heat & eat, all unique in flavor.

Accident Frequency decreased 64%

Running for two years, the OHS Cultural Transformation and Awareness Project resulted in dramatic decreases in accident frequency in 2023, decreasing 64%. A digital OHS application, a first in the food sector, was launched in cooperation with Intenseye company. Production processes are monitored 24/7 with 75 cameras and by image processing technology to detect possible unsafe behavior. With over 10,000 detections during the year, actions were taken to prevent possible accidents.

In addition:

In 2023, the plants increased their labor productivity by 12% compared to the previous year.



Vision-Mission

Vision

With our well-known brand in Turkey expanding globally, be the healthy eating partner of our consumers while supporting sustainable agriculture.



Mission

We exist to lead the transformation that will bring good & healthy food to everyone.



Competitive Advantages



Over 56 years of knowledge



Strong partnership structure



Trust in the Tat brand and high brand value



A sustainable and digital agriculture-oriented approach



High quality standards



Exporting to more than **40** countries across **6** continents



Among manufacturing businesses in Europe, ranking within the top **5** in terms of daily total capacity, and globally ranking **13th***



Strong ties and long-lasting relations with farmers and all business partners

* Tomato News: TOP50 tomato processing companies worldwide in 2020

Milestones

1967

Tat Konserve was established

1970

A First in Turkey

41,500 tons of tomatoes were processed, producing more than 8,000 tons of tomato paste at Tat Konserve Plant in 1970. The export of 6,100 tons of tomato paste proved that Vehbi Koç's dream of export-based agricultural production was viable. In the same year, Tat Konserve plant presented consumers with Turkey's first concentrated soup and tubed tomato paste.

1980

An Important Step in Technology

The 80s were breakthrough years for Tat Konserve. Stable growth continued in both the domestic and foreign markets. In 1981, modern technology was brought to the plant, establishing the "aseptic line", followed by a second line in 1985.

1983

Kagome Tat Project

In 1983, Tat Konserve signed an agreement with Kagome, a well-established Japanese company whose had been produced tomato and tomato products since 1899, initiating the "Kagome-Tat Project".

1989

Another Groundbreaking Step by Tat

Bringing tomato chopping technology to Turkey in 1989 and breaking yet more new ground, Tat Konserve started to can diced and peeled tomatoes free of additives and continued to bring healthy and practical taste to food.

1997

Production Filling Lines Established

Tat Konserve took rapid steps in the 90s. Tat went public in 1993 and made another breakthrough in 1997, establishing mustard, ketchup, and mayonnaise filling lines with state-of-the-art, zero touch production machines.

2003

New Lid Technology

Tat introduced a Magnum diced tomato line with welded lid technology, which very few US companies have and is only available at Tat in Turkey across Europe. This technology decreases the risk of air leakage in aseptic diced tomatoes to one in a billion.

2006

True Tastes under Our Protection

By opening the new plant in Izmir, Torbalı in 2006, production capacity increased and Tat continued to offer consumers delicious products with the motto 'True Tastes under Our Protection'.

2010

Tat Tomato Festival

In 2010, 300,000 tons of tomatoes, 8,000 tons of vegetables and fruit were processed, and 2,000 tons of tomato paste, 4,000 tons of tomato products, 10,000 tons of ketchup, 6,000 tons of mayonnaise, and 8,000 tons of other canned food and jams were produced. The first Tomato Festival was held in the Tatlıca District, named after Tat, where the Tat Mustafakemalpaşa plant is located, with thousands of people attending the festival.

2016

Tomato Pioneers

Breaking more new ground in the sector, Tat Gıda started the "Tomato Pioneers" project to develop tomato processing in Turkey to bring it to a level that can compete on the international market.

2017

Guinness Record

Celebrating its 50th year in 2017 with great enthusiasm together with farmers and its employees, Tat set a Guinness World Record for "The Most People Simultaneously Spreading a Product on Bread" at its Mustafakemalpaşa plant.

Turkey's Ketchup

A first in Turkey, Tat launched the PET bottle filling line, applying both ultra clean technology and cold filling technology to fill transparent ketchup and mayonnaise bottles.

2018

Digital Agricultural Field

Leading the way in digitalization in agriculture, Tat created the "Digital Agricultural Field" using digital farming technologies.

2019

Tat Organic Series

Organic Tomato and Organic Pepper Paste were added to the Tat organic family, produced from organic tomatoes grown in the Aegean Region and carefully harvested in season.

2020

Safe Production

Tat Gıda became the first company in its sector to receive the TSE COVID-19 Safe Production Certificate.

2021

Production Capacity Increase

Tat Gıda increased its total annual tomato paste production capacity from 71,000 tons to 85,000 tons and its gherkin pickle production capacity from 5,000 tons to 22,000 tons with its capacity increase investments in 2021.

2022

Powerful Steps in Exports

In line with its export growth targets and becoming global brand, Tat Gıda increased its overseas sales rate to 35% of total sales in 2022.

2023

Tat Gıda's First Sustainability Report Published

With sustainability at the center of all its business models, Tat Gıda published its first Sustainability Report, sharing its sustainability operations and goals under four main headings that reflect its corporate culture: "Our Roots: Our Values, Our Soil: The Earth, Our Labor: For the People and What We Share: Society", and set its goal of becoming carbon neutral by 2050.

Now That is Tasty Tat!

The communication road map was decided on with the slogan, 'Tat: This is it!: You'll Clean Up Your Plate', and all communication activities (marketing operations) were designed according to this concept.

Capital and Shareholding Structure

As of 2023-end, Tat Gıda's registered capital ceiling was 250,000,000 Turkish Lira and paid-in capital was 136,000,000 Turkish Lira, with no changes occurring during the year. Our company has no preferred shares issued.

As at 31 December 2023, the shareholders and paid-in capital with the historical values are as follows¹:

Name/Title of Shareholder	Share (%)	Amount (TL)
Koç Holding A.Ş.	43,7	59.364.947
Free Flow	41,4	56.312.844
Kagome Co. Ltd.	3,7	5.071.168
Temel Ticaret ve Yatırım A.Ş.	3,3	4.427.889
Sumitomo Corporation	1,5	2.077.983
Other	6,4	8.745.169
Total Share Capital	100	136.000.000

49.04% of Tat Gıda capital, owned by partners Koç Holding, the Koç Group Companies, Koç Family Members, and the Koç Foundations, and 15 founder dividend shares were sold and transferred to Memişoğlu Agricultural Products Trade Limited Company on February 19, 2024.

Direct and Indirect Subsidiaries of the Company and its Share Ratios²
Tat Gıda has the following shares in its subsidiaries as of December 31, 2023.

Title	31.12.2023
Ram Dış Ticaret A.Ş.	7.5%
Düzyey Tüketim Malları Sanayi Pazarlama ve Ticaret A.Ş.	1.1%

Company shares worth a nominal value of TL 449,999.32 representing 7.5% of the capital of Ram Foreign Trade Inc. and shares worth a nominal value of TL 64,797.70 representing 1.1% of the capital of Düzyey Consumer Goods Industry Marketing and Trade Inc. were sold and transferred to Koç Holding Inc. on January 30, 2024 for a total price of TL 32,275,800.

Equity Share Performance

Tat Gıda held a place on several indices in FY2023 in Borsa İstanbul including: BIST STAR/ BIST ALL / BIST DIVIDEND/ BIST ALL-100 / BIST FOOD BEVERAGE / BIST BURSA / BIST SUSTAINABILITY / BIST INDUSTRIAL / BIST CORPORATE GOVERNANCE. Tat Gıda has been trading on Borsa İstanbul (BIST) since 1993, and currently free-float is 41.4%.

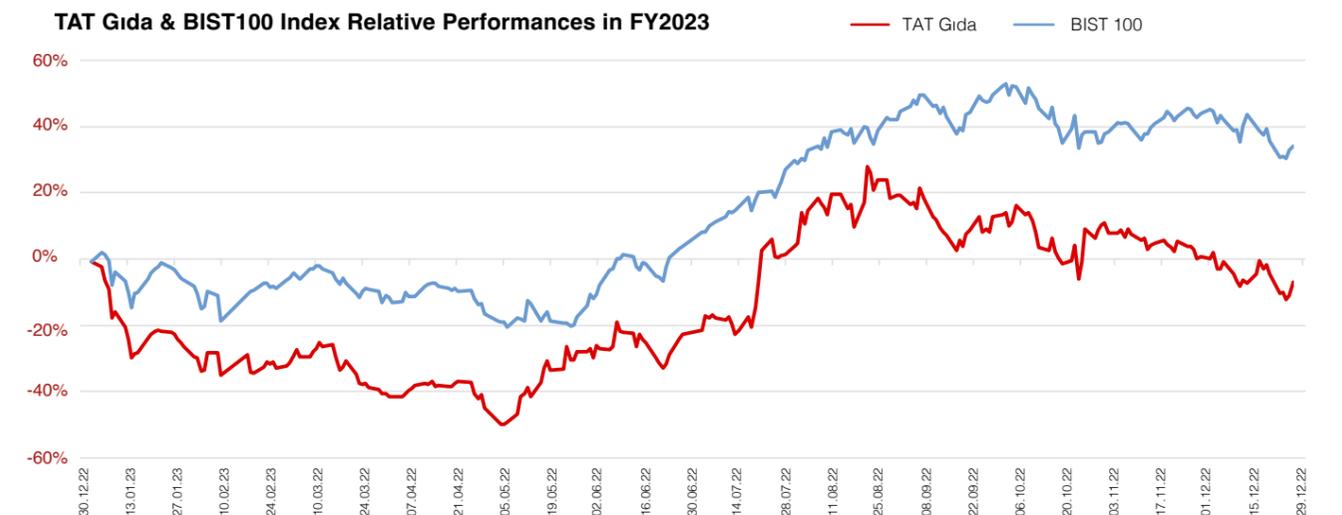
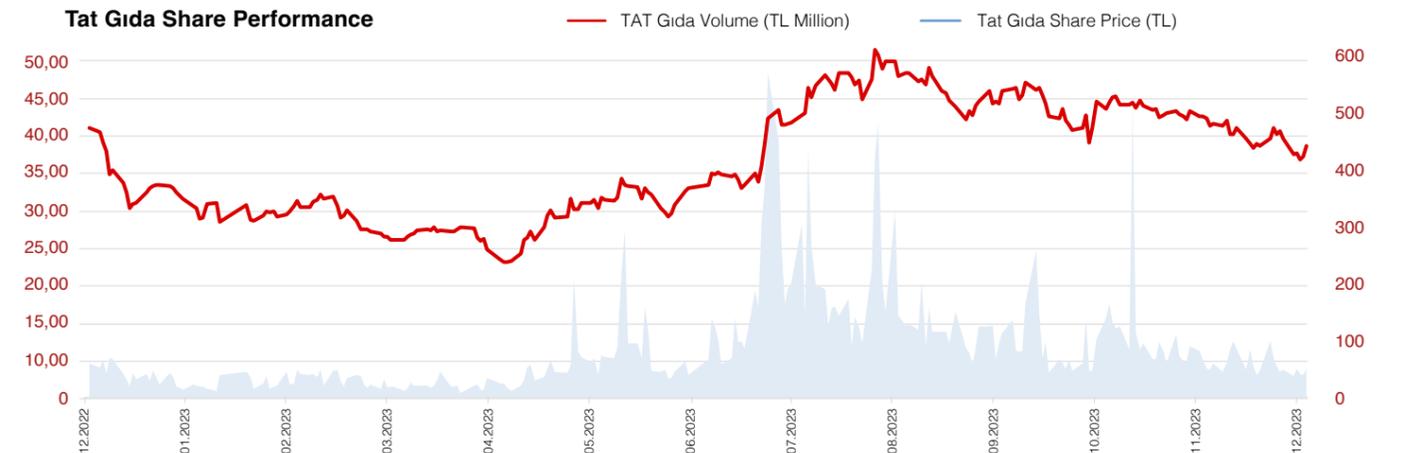
As of 29.12.2023, Tat Gıda's share price was 33.68 TL (30.12.2022: 36,00 TL) with a market capitalization of 4,580 million TL (156 million US Dollars). BIST100 index increased by 35.6% in FY2023 compared to 2022-end. Tat Gıda share price decreased by 6.4% in the same period.

The share prices of similar food companies trading on BIST Food, Beverage Index had a similar pattern. This is mainly due to a

decline in operating margins of similar food companies, as there was an increase in agricultural costs during the previous harvest season and a decline in competitive advantage of exporting companies. Around 7.3% of Tat Gıda's shares traded on Borsa İstanbul were held by foreign investors. The average daily trading volume of Company shares in 2023 was 79.4 million TL.

SAHA Corporate Governance and Credit Rating Services (SAHA), an officially authorized rating organization which abides by the Corporate Governance Principles of the Capital Markets Board (CMB), revised up the Corporate Governance Rating of Tat Gıda to 9.60 (96.02%) on 28.12.2023.

The 2023 performance of equity shares on the stock exchange is summarized below:





Tat, Türkiye's Lovemark for Ketchup in Türkiye

Management

- 20 CEO Message
- 24 Board of Directors
- 28 Senior Management



CEO Message



Dear Shareholders and Stakeholders,

For more than half a century, Tat Gıda has been leading the development and transformation of the agriculture and food industries in Türkiye with its visionary efforts to improve the sector.

We are proud to be both the guardians of traditional values, and at the same time the leading brand that shapes the future vision of our industry, with our delicious, quality products on the shelves and tables of every household and kitchen around the country.

In 2023, we achieved further success in fulfilling our commitments to the future, while maintaining our respect for our past. This year's report includes not only our financial performance but also the important steps that we took in the light of our long-standing mission and vision.

According to a statement from the United Nations Food and Agriculture Organization (FAO), the FAO Food Price Index, which tracks monthly changes in international prices of food commodities, decreased by 10.1% in December 2023 compared to December 2022. The index declined by 25.8% since reaching its peak in March 2022, easing pressure on most international food markets. According to the data from Turkish Statistical Institute, the Agricultural Input Price Index increased by 41.43% on an annual basis in December 2023, leading to continued increases in food commodity prices.

In parallel with global dynamics, the Agricultural Input Price Index in our country peaked in September 2022 with a 138% increase compared to the same month of the previous year. This increase in September 2022 coincided with our company's harvest season, leading to a surge in raw material costs and an increase in financing needs. Although the increase in the Agricultural Input Price Index slowed down in 2023, the impact of the high cost increases from the 2022 season was felt for most of 2023 due to seasonality. The WPTC (World Processing Tomato Council) predicts a

significant increase in global processed tomato production, reaching 44.2 million tons in 2023, representing a growth of 15% compared to the 38.4 million tons in 2022. In 2023, Türkiye is expected to become the fourth-largest processed tomato producer globally, following the United States, China, and Italy, with an estimated processing volume of 2.7 million tons. Additionally, within Europe, Türkiye ranks as the second-largest producer. It is observed that Türkiye's production figure represents 6% of the global processed tomato volume.

In Türkiye, the foreign currency inflow from tomato paste exports in 2022 had increased by 97%, to 408 million dollars. However, in 2023, despite the globally higher-than-expected harvest, Turkish companies' competitiveness and profitability remained under pressure due to the fact that the increase in production costs from the previous year was higher than the increase in exchange rates in our country. Consequently, in 2023, Türkiye's tomato paste exports decreased by 52% to 133 thousand tons, and on a dollar basis decreased by 47% to 216 million dollars.

In our Bursa Mustafakemalpaşa, Bursa Karacabey and İzmir Torbalı factories, we processed a total of 450.000 tons of tomatoes in 2023, accounting for 17% of Türkiye's total tomato processing volume. Our domestic sales increased 3% year-on-year to TL 3.863 million. Despite the decreasing of Türkiye's tomato paste exports, our company managed to maintain the share of exports in total sales at 33% in line with its long-term strategies. Our export sales increased by 13% compared to the same period last year, reaching 1.888 million Turkish Lira. In the domestic market, the surplus supply of tomato paste redirected from exports to the domestic market created an excess supply, while pressure on prices and profitability arose due to the decrease in consumer purchasing power and weak demand. The tomato paste market specifically, which recorded 14% growth in 2022, contracted by 0.3% in 2023. Our company continued its growth and increased its market share by 1 point to 18.7% in terms of revenue.

* The data as of March 15, 2024, is based on the 2022 figures.

In summary, the economic consequences of the past two years were characterized by macro effects that disrupted the financial results of our company. In 2022, when our company grew organically, agricultural input costs reached historic highs, and the impact of high raw material costs on production carried over into 2023 due to stock effects. The decrease in export profitability due to the exchange rate that did not reflect inflation and the increase in input costs, the weakening demand and purchasing power in the domestic market due to excess supply, and the sharp increase in the cost of financing for growth due to changes in money market dynamics were notable macro effects. Additionally, considering our seasonal production and the long shelf life of our products, the impact of inflation accounting applied to our 2023 financials was significantly felt on our inventories and the cost of goods sold.

We expect the improvements in EBITDA and Net profit margins achieved in 2023 to continue to increase as a result of structural transformation, and to positively impact the economic results in the upcoming period.

TRANSFORMING FROM A WELL-ESTABLISHED TRADITIONAL CANNED FOOD BRAND INTO A MODERN AND INNOVATIVE ONE

Tat Gıda worked to achieve its goal of "transforming from a well-established traditional canned food brand into a modern and innovative one" following a strategy of growing with innovative products, differentiating our classic products, expanding our sauce and ready food categories, and responding quickly to changes in market conditions. In line with our long-term goals, we will continue to increase our growth rate in domestic and international markets through new investments in the sauce and ready meal categories in the upcoming period. Following our global vision, we will continue to expand our product range offered to export customers and increase our presence by reaching more customers geographically.

OUR INVESTMENTS IN THE SAUCE CATEGORY ARE ONGOING

Our Sauce Group has been growing since 2021, and its annual production amount in tonnage increased 21% on average between 2020 and 2022, while closing 2023 at 24% growth. Also in 2023, we broke our all-time production record with a monthly total of 27.500 tons in both the total sauce group and the PET bottle sauce group. This increase in sales volume in the sauce group allowed us to accelerate our capacity investments. In addition to adding 3 sauce filling lines to our production facilities in the last 2 years, we also invested in a 2nd PET bottle sauce filling line in 2023, increasing PET bottle sauce production capacity from 45 million units to 75 million units per year.

THE READY-TO-EAT CATEGORY IS EXPANDING

We expanded our ready-to-eat range with 12 new SKUs and with a new packaging line investment, added a doypack format as well as box and plates. As a result of intensive R&D studies, we designed two product groups with unique flavors: single-serve and heat & eat. Our innovative products and processes now deliver more value to customers.

EXPORT GROWTH CONTINUES

Sustainable, profitable export growth is a major goal for us as one of Türkiye's largest food companies. For 56 years, we have maintained our success in the domestic market by keeping our promise to offer good, healthy products, and now we are carrying this success to the international arena by investing in foreign markets and expanding our product range. In 2023, we added 28 new customers in 12 new countries to our portfolio, whose additional sales contributed 7% to our total annual exports. As a result of our agreement with the leading chain stores in Europe in December 2023, we started to increase our exports in the sauce category. We also hope that cooperation with Germany's Lidl and France's Leclerc chain stores will make even more significant contributions to the continued growth of our sauce exports. We will continue to work with all our strength for Tat to "Lead in Türkiye and be competitive around the world".

OUR ESG RATING ROSE TO 71 POINTS

We use a unique model that is based on sustainability in production and agriculture and meets the demands of the contemporary sustainability approach from the moment our

products are served to customers on table. With this vision, Tat Gıda has recently gained momentum in its sustainability performance. In 2022, we increased our ESG score to 71 points out of 100 on the LESG valuation system. This score ranked us 64 among 467 other companies reporting according to the LESG assessment in Borsa İstanbul. We are committed to continuing and further advancing our work in these areas.

WE LEAD IN AGRICULTURAL DIGITALIZATION

In 2023, we took important steps to take the lead in agricultural digitalization and modern farming practices, using technology to increase farmer productivity and support sustainable agricultural practices. As a brand name associated with zest and quality and support for food safety and the future of agriculture, our products have been eaten in every home, restaurant, and kitchen in Türkiye for 56 years. We have taken the lead in sustainable agricultural practices, and consider the sustainability of local production to be our mission.

We have been acting as a role model since day one, using the successful applications we've achieved in our fields to enable farmers to produce with a more efficient and profitable production model. Launched in 2018 as a pioneering step in digital agriculture, the size of our digital lands and those of contracted farmers reached 6,300 decares in 2023. Through the technological solutions and good agricultural practices we used in our digital fields, we achieved a yield of 10-11 tons per decare, compared to the region's average yield per decare of 7-8 tons, with cost decreasing 30% compared to the regional average.

WE PUBLISHED OUR FIRST SUSTAINABILITY REPORT

We are the largest tomato processor in Türkiye, the 5th largest in Europe, and the 13th in the world, and for us, sustainability has become an important goal in every step we take. As an important part of our corporate culture, we focus on four headings in our sustainability approach: "Our Roots: Our Values, Our Soil: The Earth, Our Labor: For the People, and What We Share: Society". Based on these focal points, we published our first "Sustainability Report", describing our performance in the field of sustainability.

At Tat Gıda, we set ourselves the goal of reducing our carbon footprint in production and agriculture as we designed our first strategic sustainability roadmap. We are determined to lead our industry by taking firm measures in all areas of sustainability. To this end, we will continue our efforts to strengthen our digital agriculture platforms, promote smart agricultural practices, and provide training and support to farmers. We have always prioritized our farmers and suppliers. For us, supporting their well-being and success is not only a business strategy but also a social responsibility. Thus, we will continue to work closely with farmers and focus on meeting their needs.

THE 100TH ANNIVERSARY OF OUR REPUBLIC

We celebrated the 100th year anniversary of the founding of our Republic in 2023 with great enthusiasm and pride. Founded with the motto "we exist to strengthen the Turkish economy, the source of our strength", our company celebrated its own 56th anniversary this year. As a witness to a little more than half the age of our Republic, our Company has been happy to be part of meals on mother's tables, at work and school lunches, and where special moments and flavors are shared. May our Republic live up to its name, and may the Tat taste in our mouth last forever. We wish our Republic many more years.

On the 100th anniversary of our Republic, Tat Gıda was selected as one of the "Brands Bearing the Value of the Republic" in a survey conducted by Marketing Türkiye.

Our brand name is included on MediaCat magazine's Lovemark list, proving the trust and love our consumers have for our lovemark brands that are on the shelves of every household.

WE ARE TAKING FIRM STEPS TOWARDS ACHIEVING OUR GOALS IN THE NEW PERIOD

Dear Stakeholders,

2024 has started with a significant change for Tat Gıda. As you know, as of February 19, 2024, the shares representing 49.04% of Tat Gıda, owned by Koç Holding and other relevant shareholders, were transferred to Memişoğlu Tarım

Ürünleri Ticaret Limited Şirketi. We believe that this new structure will Tat Gıda's growth steps and strengthen our company's future successes.

Tat Gıda continues to operate with the goal of fulfilling our commitment to providing customers with delicious, quality and healthy, products. To achieve our 2024 targets, we are determined to continue our growth and investments in domestic and international markets. We will continue our efforts to reinforce our strong position in all markets to reach more consumers by expanding our innovative product range with new products such as those in the ready to eat and sauce categories. Our greatest desire is to sustain and add to our long-standing, successful cooperation with our business partners built on trust relationships. With the strength we derive from our valuable employees, business partners, and consumers, we will continue to work to add value to our country.

I sincerely appreciate the contribution of each and every one of my colleagues who have devotedly contributed to the success of the Tat Gıda family. I would like to thank all our business partners and stakeholders who have been with us throughout our development. We have big goals for the future. While striving to achieve these goals, we will continue to deliver value to our customers and stakeholders, while strengthening our internal unity and solidarity. I would like to extend my sincerest thanks to our stakeholders, our business partners, and to our valuable consumers, all of whom have trusted our company and stood by us along the way, and who have helped draw the road map of our brand.

Best regards,

Evren Albaş
CEO

Board of Directors*

SEMAHAT S. ARSEL Chairman



She began her career in 1964 as a Member of the Board of Directors of Koç Holding, a position she continues to hold. In addition, she is Chair of the Board of Directors of Vehbi Koç Foundation and the Divan Group, founder of the Semahat S. Arsel Nursing Education and Research Center and the Koç University School of Nursing. She also serves as Member of the Board of Directors of other Koç Group companies as well as Member of the Board of Trustees of the Educational Volunteers Foundation of Turkey (TEGV). Semahat Arsel has received an "Honorary Doctorate" degree from İstanbul University.

RAHMI M. KOÇ Vice Chairman



A graduate of Johns Hopkins University in Business Administration, he joined the Koç Group in 1958 at Otokoç Ankara. He became Chair of the Management Committee in 1980 and was named Chair of the Board of Directors of Koç Holding in 1984, a post he held until 2003 when he became the Honorary Chair. Apart from Koç Holding, he also serves as a Member / Chair of the Board of Directors of other Koç Group companies. In addition, Rahmi M. Koç is or has been affiliated with social and professional organizations including:

- The Metropolitan Museum of Art, New York City, Honorary Trustee
- Co-Chair of the Business Advisory Council for South East Europe (BAC SEE)
- Vice Chair of the Board of Trustees of Vehbi Koç Foundation
- Honorary Chair of the Board of Trustees of Koç University
- Founder and Chair of the Board of Directors of the Rahmi M. Koç Museum and Cultural Foundation
- Chair of the Board of Directors of the Vehbi Koç Foundation American Hospital
- Honorary Chair and Founding Member of TURMEPA, The Turkish Marine and Environment Protection Association

- Honorary Chair of the Advisory Board of the Turkish Industrial and Business Association (TÜSİAD)
- Member of the Advisory Board of the Turkish Employers Association
- Founding Chair of the Global Relations Forum
- Former President of the International Chamber of Commerce (1.1.1995-31.12.1996)
- Former President of the Turkish Greek Business Council (1992-1999)
- Former Member of the Allianz AG International Advisory Board
- Former Member of the J.P. Morgan International Council
- Former Member of the International Advisory Board of the US Council on Foreign Relations

Rahmi M. Koç has been awarded with the following merits and degrees:

- "Honorary Doctorate" degrees by Johns Hopkins University (Baltimore-Maryland), Eskişehir Anadolu University, İzmir Ege University, Ankara Bilkent University, Ovidius University of Constanza and Aydın Adnan Menderes University
- "Outstanding Service Award" by the President of the Turkish Republic
- German Government's "Grosses Verdienst Kreuz"
- "Order of High Merit of the Italian Republic"
- "Order of Merit of the Austrian Government"
- "(Honorary) Commander of the Most Excellent Order of the British Empire (CBE)"
- "Officier dans l'Ordre National de la Légion d'Honneur", the highest medal awarded by the French government
- "Responsible Capitalism Lifetime Achievement Award" from FIRST, a leading multidisciplinary international affairs organization
- The medal of Foreign Policy Association (FPA), globally recognized think-tank with its 100-year history
- "Hadrian Award" by the World Monuments Fund to the Koç Family
- "Carnegie Medal of Philanthropy" (New York) to the Koç Family
- "BNP Paribas Philanthropy Award" (Paris) to the Koç Family
- "Iris Foundation Award" from BARD Graduate Center to the Koç Family

ÖMER M. KOÇ Member



In 1985, he received his B.A. degree in Ancient Greek Language and Culture from Columbia College, which is linked to Columbia University. He worked at Kofisa Trading Company in Switzerland for one year. He completed his MBA at Columbia University in 1989. After working at New York-based Ramerica International Inc. between 1989 and 1990, he joined Koç Group in 1990. He held various senior positions at Koç Holding including Finance Coordinator, Vice President and President of Energy Group. He became member of Board of Directors in 2004 and Vice Chair in May 2008. In February 2016, he was appointed as the Chair of the Board of Directors of Koç Holding. He serves as the Vice President of TÜSİAD High Advisory Council, Chair of Turkish Educational Foundation Board of Trustees, President of Geyre Foundation and Chair of Yapı Kredi Kültür Sanat Yayıncılık Board of Directors, Chair of İstanbul Foundation For Culture and Arts Board of Trustees, Chair of Tüpraş Board of Directors, Chair of Tofaş Board of Directors and Member of the Board of Directors at other Koç Group companies.

ALİ Y. KOÇ Member



He received his bachelor's degree from the Management Faculty of Rice University and MBA from Harvard Business School. He started his career at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank. Ali Y. Koç joined Koç Holding in 1997 and held senior-level positions until 2010 including new business development and information technologies (IT) as well as the President of Corporate Communications and IT Group. After serving as a Member of the Board of Directors at Koç Holding for over 8 years, he was elected as the Vice Chair in February 2016. Since April 2016, Ali Y. Koç also serves as Chair of the Board of Directors of Koç Financial Services, Yapı Kredi Bank, Ford Otosan, Otocar as well as several other Koç Group companies. In addition to being Chair and Vice Chair at Turkey's largest companies and financial institutions, Ali Y. Koç also contributes to the country's social and economic development and currently is the President of Fenerbahçe Sports Club, Member of the Board of Directors of the International Competitiveness Research Institute (URAK), Member of the Executive Board of European Club Association (ECA) and Member of the Board of Directors of Endeavor Turkey. He is also a Member of the Global Advisory Council of Harvard University, Bank of America and Council on Foreign Relations and a Member of the Panel of Senior Advisers at Chatham House. He represents Turkey at the CBI - Confederation of British Industry.

* Following the sale of 49.04% our Company's capital belonging to Koç Holding, the Koç Group Companies, Koç Family Members, and the Koç Foundations to Memişoğlu Agricultural Products Trade Limited Company on February 19, 2024, Semahat Sevim Arsel, Mustafa Rahmi Koç, Mehmet Ömer Koç, Yıldırım Ali Koç, and Caroline Nicole Koç resigned from the Board of Directors. Our Company's Board of Directors decided on February 19, 2024 to appoint Şerafettin Memiş, Veysel Memiş, Giyasettin Memiş, Nasip Memiş, and Tuncer Memiş to fill the vacant board seats and serve until the first general assembly is convened and their appointments can seek approval.

CAROLINE N. KOÇ
Member



Caroline Koç graduated from St. George's School, Switzerland and from Babson College, USA Department of Business Administration. She is fluent in English, Turkish, French, Italian and Swedish. Ms. Koç started her professional career in 1992 at Edwards of Hisar, where she acted as the managing director until 1998. She founded and worked as the acting manager of "İlkadım Play and Education Center for Kids" between 1998 and 2003. She founded "Haremlique Istanbul" in 2008 and "Selamlıque Turkish Coffee" in 2009 and is currently the Chair of the Board of Directors of both companies. In addition, she is Member of the Board of Directors of several Koç Group companies. She served as Chair of the Board of Directors of Turkish Family Health and Planning Foundation. She is a Member of the Board of Directors of Tohum Autism Foundation, a Founding Member of Tina Foundation as well as the Contemporary Education Foundation. She has been a Member of Koç Holding Board of Directors since 2016.

TAKASHI HASHIMOTO
Member



Takashi Hashimoto holds a Master's degree in Agricultural Sciences from Gifu University in Japan. He started his professional carrier at Kagome Co. Ltd in April 1983, and in April 2001, he started working as the Plant Manager of the Kagome Shizuoka Plant and in April 2003, he became Plant Manager of the Kagome Kozakai Plant. In April 2005, he was appointed General Manager of the Production Technology Department and became General Manager of the Production and Purchasing Planning Department in October 2008. He then went on to become General Manager of the Corporate Planning Department in April 2012. In April 2013, Mr. Hashimoto became an Executive Board Member of Kagome Co. Ltd, while also serving as General Director of Corporate

Planning. In October 2017, Mr. Takashi Hashimoto served as Executive Officer and the Director of the Production and Purchasing Division. In addition to these posts, Mr. Hashimoto has been serving as a Board Member since March 2021.

NESLİHAN TONBUL
Independent Member



Neslihan Tonbul graduated from Rutgers University with a degree in Economics and Political Science in 1981 and completed her master's degree in International Finance and Economic Development at the Tufts University Fletcher School of Law and Diplomacy in 1983. From 1983 to 2008, she served as a senior manager at the New York, London and Istanbul headquarters of various international financial institutions such as the Irving Trust Company, the Bank of New York, and BNY Mellon, and later was appointed regional manager responsible for Middle East, Africa, Eastern Europe and Turkey. She has been a Board member at various holdings and organizations in Turkey since 2008, and is currently on the boards of Tofaş, Tat Foods, Petkim, Alarko Holding and Vakıfbank International. Tonbul studied at Harvard Business School and CFEG in Boston specializing in Family Business Management, and she has been teaching courses on "Family Business Management" and "Impact Investment and Sustainability" at Koç University's Faculty of Economics and Administrative Sciences since 2017.

FATMA FÜSUN AKKAL BOZOK
Independent Member



Graduated from Business Administration at Istanbul University, Fatma Füsün Akkal Bozok holds an MBA from Boğaziçi University and a PhD in Business Administration from Istanbul University. In 1980, she embarked on her career at Arthur Andersen and served as an Auditor in the Internal Audit Department of Koç Holding between 1983-1992. From 1992 to 2003, Bozok worked as an Audit Coordinator and was appointed as Finance Director in 2003. Bozok also served as a Project Manager between 1995 and 1996 under Koç Group's MIS Project. Bozok continued her career as a faculty member teaching IT Audit and International Accounting courses at Koç University from 2006 to 2008. Since 2008, she has been a faculty member at Sabancı University teaching International Finance and Auditing courses. From 2004 to 2019 she was appointed as a Board Member at Yapı Kredi Bank. She has also been serving as a Board Member at Akış GYO and Bizim Toptan since 2017, and at Tat Gıda and Ford Otosan since 2018. Bozok also holds Credit Rating, Corporate Governance Rating, and Advanced Derivative Instruments licenses from the Capital Markets Board of Turkey.

SAİT TOSYALI
Independent Member



Sait Tosyalı started his high school education at Tarsus American College and graduated from Columba High School, Texas-USA, where he attended as an AFS exchange student. He holds an MSc in Industrial Engineering and an MBA from Boğaziçi University. Tosyalı then joined Koç Holding and specialized in Strategic Planning and Project Management. He was involved in the feasibility, tender and management processes of the privatization, growth and company acquisition projects carried out by the Consumer Durables Group in line with the strategies of Koç Holding. He served in executive positions in companies with foreign shareholders established to operate in the packaging and real estate industries. Tosyalı acted as General Manager in Consumer Durables, Energy and Construction companies of the Group and managed the Turkey, Kazakhstan and Jordan operations of Linde Group, a German industrial gas manufacturer. Immersed in different cultures, he has also taken part in merging and management of multinational and cross-border companies. He served as the Vice Chairman and Managing Director of Linde Gaz A.Ş. Since September 2017, Sait Tosyalı has been the General Manager of the Educational Volunteers Foundation of Turkey. He is also the Chairman of the Board of Trustees at the Health and Education Foundation, where he previously served as a Member of the Board of Directors and Chairman of the Supervisory Board. Tosyalı also acts as a mentor in Woman on Board Association, providing insight and guidance to women mentees towards their executive career. Sait Tosyalı is an Independent Board Member at Tat Gıda Sanayi A.Ş. since 2018.

Management

EVREN ALBAŞ CEO



Evren Albaş has been serving as the General Manager of Tat Gıda Sanayi A.Ş. since August 2021. Previously, he worked in South Africa between 2017-2021, and he served as Arçelik A.Ş. Sub-Saharan Africa Regional Director and General Manager of Defy Ltd. Before that, Evren Albaş worked in Arçelik's senior management as Product Sourcing Director until 2017, and worked as Arçelik Component Purchasing Manager and Purchasing Group Manager between 2006-2012. Evren Albaş, who started his professional career as a Research Engineer at T.E.E A.Ş. between 1993-1995, continued his work as an R&D engineer and R&D leader at Arçelik between 1995-2003. His academic background was shaped by his graduation from Middle East Technical University in Mechanical Engineering and his subsequent master's degree in Mechanical Engineering from Istanbul Technical University. Evren Albaş completed the Advanced Management Program organized by Harvard Business School for company senior executives in 2022.

HAKAN TURAN Assistant General Manager, Trade and Operation



Hakan Turan received his degree in Mechanical Engineering from Istanbul Technical University and completed his MS in Mechanical Engineering at Boğaziçi University. He started his career at Arçelik A.Ş. in 1991, where he worked as Project Engineer, Production Team Leader, and Production Manager in the Washing Machine Plant and as Business Manager and Product Director in the Electrical Motor Plant until 2008. He then served as Consumer Services Director from 2008 to 2012 at Arçelik A.Ş. Turan served as the Assistant General Manager for Production from May 4, 2012 to December 1, 2021. On December 1, 2021, he was appointed Assistant General Manager of Trade and Operations at Tat Gıda Sanayi A.Ş. and continues to work in this position.

ESRA SÜZME Assistant General Manager, Marketing



Esra Süzme completed her bachelor's degree at Boğaziçi University and her master's degree at the University of Maryland, Department of Business Administration. She started her career in 1999 at A.T. Kearney as a Strategic Consultant and continued at NERA Economics Consultancy between 2002 and 2004. She started working as a Marketing Manager at Turkcell in 2004 and then served as Marketing Director from 2010 to 2016. In 2016, she assumed the position of Marketing Director at Koton. After this, Esra Süzme worked as Marketing Director at Vodafone in 2017, continued there as Vodafone Brand Director between 2019 and 2020 and finally worked as Assistant General Manager of Marketing at N11 in 2020. Since March 21, 2022, she has served as Assistant General Manager of Marketing at Tat Gıda Sanayi A.Ş.

BAŞAK TEKİN ÖZDEN Assistant General Manager, Financial Affairs and Finance



Başak Tekin Özden graduated from the Department of Mechanical Engineering at METU and completed her MBA at Bilkent University. After starting her career at Koç Holding as a trainee in 1999, she was promoted to the position of Strategic Planning Expert and Manager. Between 2007 and 2012, she worked at the Tofaş Türk Otomobil Fabrikası A.Ş. as Strategic Planning and Business Development Manager, as Strategic Planning, Business Development, and Foreign Trade Manager, and then as Budget, Planning, and Commerce Control Manager. Between 2012 and 2019, she served as Corporate Affairs Coordinator at Koç Holding A.Ş. Since February 1, 2019, she has worked as Assistant General Manager of Financial Affairs at Tat Gıda Sanayi A.Ş.

AHMET BOZ Assistant General Manager, Plant Operations, R&D and Technology



Ahmet Boz graduated from Istanbul Technical University with a degree in Industrial Engineering in 2006. In 2009, he completed the Production and Service Systems Management MBA program at Sakarya University, followed by the completion of the MBA program at Koç University in 2017. In 2023, he graduated from the LiderSensin program, which gathers leaders shaping the future of Koç Holding. Commencing his professional journey as a Production Planning Engineer at Sek Süt in 2006, Ahmet Boz then progressed through various roles at Tat Gıda, serving as Production Planning Specialist between 2009-2010, Production Planning Manager between 2010-2012, Project and Process Development Manager between 2013-2017, and Production Engineering Group Manager between 2018-2021. In 2021, Ahmet Boz was promoted to the position of Production Director, and in 2022, he assumed additional responsibilities for Quality and Environmental Management, being appointed as the Plant Operations Director. In 2023, with the integration of R&D management, he took on the responsibilities of Operations, R&D, and Technology. As of October 1, 2023, he has been appointed as Deputy General Manager. In his current role, he oversees the management responsibilities of Production, Quality, R&D, Investment, Technical Affairs, Environment, Process Development, and Industry 4.0 within the scope of production facilities.

ÇİĞDEM ŞAHİN Agile Transformation and Project Management Office Director



Çiğdem Şahin graduated from Galatasaray University's Department of Industrial Engineering. She started her work life in 2002 as a Systems Analyst at Garanti Technology and continued in this position until 2007. Then she worked as a Senior Business Analyst at Softtech. After serving as a IBM consultant to AgeSA between 2011 and 2012, she was appointed to be Bancassurance Team Manager in 2012.

After serving at this position until 2015, she moved on to work as an Expert Analyst / Digital Product Manager in the Digital Channels department of Turkcell Technology. Between 2018-2022, she continued working at Turkcell Technology as a Program Manager. Since August 2022, she has been working as Director of Tat Gıda's Agile Transformation and Project Management Office.

TÜLAY DEMİR Human Resources Director



A graduate from METU's Sociology Department, she completed her master's degree in HR and Organizational Development in Education. She started her professional life in the pharmaceutical industry in 2003 working as an educational consultant. In 2008, she started to work as Human Resources Business Partner at the Arçelik A.Ş. Cooking Appliances Plant. There, she also served as a Talent Management and Senior Career Expert in 2011; HR Business Partner Manager for Supply Chain, Customer Services, and Small Appliances in 2013; HR Manager for the Electronics Plant in 2016 and she manage HR Partner Service Center in 2018. Since March 2022, she has been working as Human Resources Director at Tat Gıda.

ONUR BAHADIR Information Technologies Director



After completing his bachelor's degree at Anadolu University and his Master's degree at Sabancı University, Onur Bahadır started his professional life as a Software Engineer at Goldaş in 2000. Between the years 2002-2018, at Borusan Otomotiv A.Ş., he assumed the duties of Expert Software Engineer; Infrastructure and Software Development Unit Manager; Information Technologies Manager; and Information Technologies Manager responsible for Borusan Otomotiv group companies, respectively. He worked as Digital Solutions and R&D Technology Director at Boyner Holding between 2018 and 2020. Since January 1, 2021, he has been working as Information Technology Director at Tat Gıda Sanayi A.Ş.



Innovative Tat!



Tat Gıda in 2023

- 32 The Food and Agriculture Sector in 2023
- 38 Production and Sales
- 39 Investments and Financing
- 40 Marketing Activities
- 44 Exports



Agriculture and Food Industry in 2023

In 2023, harvest levels increased in the agriculture and food sector, on a global scale, geopolitical uncertainties continued, and pressure on prices receded.

According to the International Monetary Fund (IMF)¹ World Economic Outlook Report dated October 2023, the global economy grew by 3.5% in 2022. However, the report pointed out that uncertainties arising from the COVID-19 pandemic and the Russia-Ukraine war have slowed down and disrupted the global recovery. The IMF disclosed global economic growth forecasts for 2023 and 2024 as 3% and 2.9%, respectively, underscoring that these predictions are below the average of 3.8% for the years 2000-2019.

GRADUAL STARTING IN GLOBAL INFLATION

The war in Ukraine in 2022 and sanctions imposed on Russia afterwards, particularly affecting energy prices, caused fluctuations in food and agricultural commodity prices, pushing commodity prices to their highest levels. The IMF report also highlighted that inflation in some countries reached levels not seen in many years in 2022. The global headline inflation is forecast to steadily decline in 2023 from the annual average rate of 8.7% attained in year 2022, with the support of tight monetary policies and positive trends in energy and commodity prices. The report outlined inflation targets of 6.9% for 2023 and 5.8% for 2024, expressing limited impact on expectations for economic stability and for the food and agriculture sector.

According to the IMF report, the growth expectation for the Turkish economy in 2023 is projected at 4%, with a forecasted decrease to 3.0% in 2024. On the other hand, the Medium-Term Plan prepared by the Ministry of Treasury and Finance along with the Strategy and Budget Presidency reveals that the Turkish economy is expected to grow by 4.4% in 2023 and 4% in 2024. The Medium-Term Plan anticipates that, by the end of 2023, the year-end annual inflation rate (CPI) will be

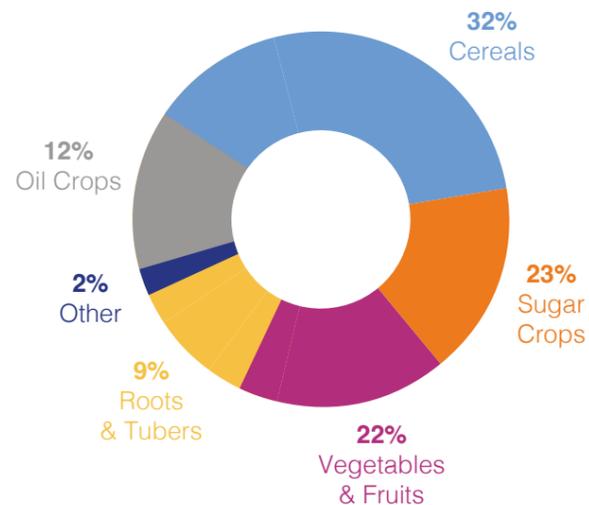
¹ IMF, World Economic Outlook, October 2023
² FAO, FAOSTAT (Ocak 2, 2024)

65%, and in 2024, it is expected to be 33%, taking into account cumulative effects of increases in the minimum wage, other allowances, and exchange rate developments.

Global Agriculture Sector

In 2022, the global agricultural production increased by 0.7% compared to the previous year, and reached a total of 9.6 billion tons². Of the produced agricultural items, 32% were cereals, while 22% comprised vegetables and fruits.

Production of Primary Crops by Group



Source: FAO, FAOSTAT (Jan 2, 2024)

In 2022, the global gross domestic product (GDP) reached \$100.6 trillion³, with the economic sector of "Agriculture" contributing 4.3% to the global GDP. The share of the agriculture sector in the global GDP follows a similar trend over the years and holds vital importance for less developed countries. In some less developed countries, the share of agriculture in GDP is observed to be 25% or higher.



Strong harvests and a drop in transportation costs have alleviated pressure on global food prices

According to a statement from the United Nations Food and Agriculture Organization (FAO), the FAO Food Price Index, which tracks monthly changes in international prices of food commodities, decreased by 1.5% in December 2023 compared to the previous month, reaching 118.5 points. In comparison to December 2022, the index declined by 10.1%. Since reaching its peak in March 2022, global food prices have dropped by 25.8%, easing pressure on most international food markets. The key factors contributing to this improvement in prices include robust harvests in major food-producing countries, reductions in transportation costs, and more affordable energy and fertilizer prices.

TURKISH AGRICULTURE SECTOR

According to the data from the Turkish Statistical Institute, the share of the "Agriculture, Forestry, and Fisheries" sector within Turkey's gross domestic product (GDP) increased from 5.5% levels attained in 2021 to 6.5% in 2022. As of the first nine

months of 2023, the share of the "Agriculture, Forestry, and Fisheries" sector in the GDP was 6.7%. (2022/9 months: 6.7%).

Crop production increased in Turkey in 2023 vs. previous year

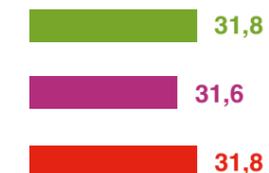
According to the estimated Crop Production Statistics published by the Turkish Statistical Institute, production quantities in 2023 increased compared to the previous year by 10.3% for cereals and other crops (excluding fodder crops), 0.6% for vegetables, and 2.3% for fruits, beverages, and spice crops. Consequently, in 2023, production reached 77.7 million tons for cereals and other crops, 31.8 million tons for vegetables, and 27.4 million tons for fruits, beverages, and spice crops.

Reviewing the production quantities in the vegetables category, there was a 0.5% reduction in vegetables grown for their fruit. Within this group, tomato production (both fresh consumption and processed) increased by 2.3%, pepper (for processed, capia) by 8.2%, cucumber by 11.8%, while bell pepper production decreased by 4%.

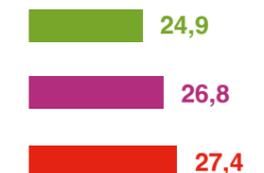
Cereals and Other Crops



Vegetables



Fruit, Beverage & Spice Crops



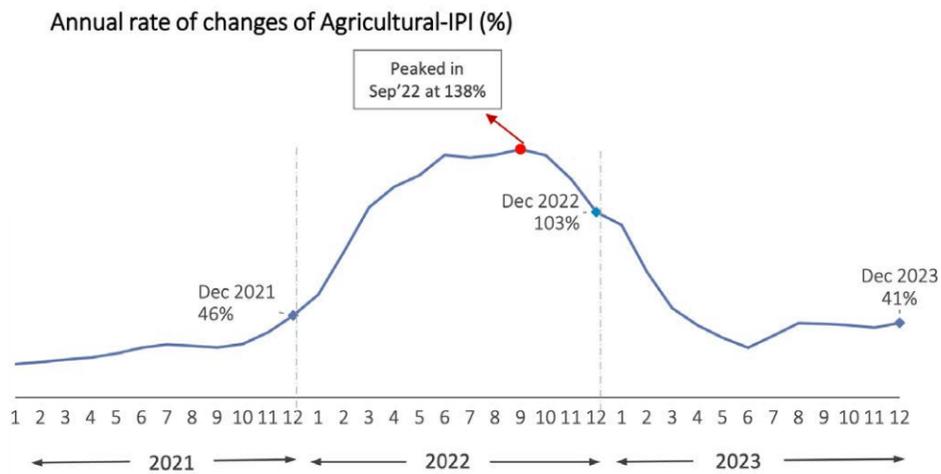
Crop Production, 2021- 2023 (000 tons)	2021	2022	2023	Yoy Change
Cereals and other crops	61.236	70.458	77,686	10,3%
Vegetables	31.753	31.589	31.788	0,6%
Fruit, Beverage & Spice crops	24.907	26.805	27,411	2,3%

Source: Turkish Statistical Institute, Crop production, 2023 (29 December 2023)

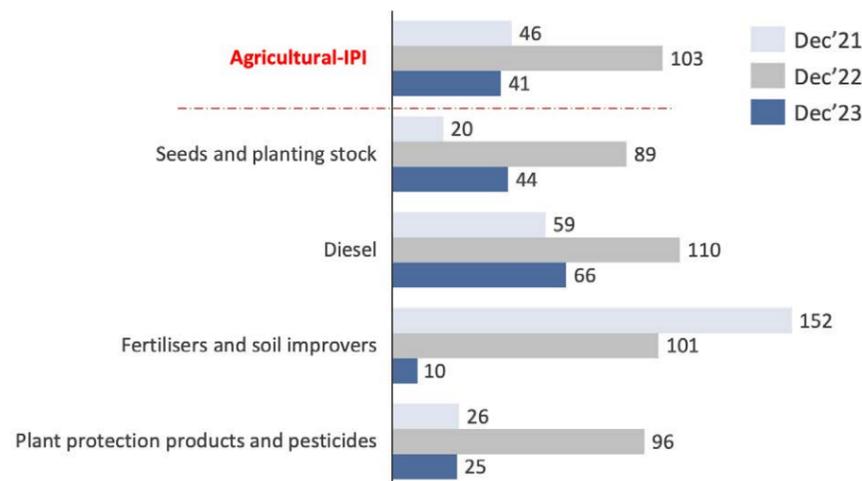
Agricultural input price index in Turkey increased by 38.82% annually as of November 2023

Agricultural input price index (Agricultural-IPI), increased by 38.82% compared to same month of the previous year and increased by 46.96% compared to twelve months moving averages, in November 2023. Fertilizer and soil improvers with 8.44%, animal feedingsuffs with 25.03% and plant protection and pesticides with 25.06% were the subgroups that indicated low annual increase.

In the same period of the previous year, uncertainties arising from the Russia-Ukraine war and increased energy costs resulted in significant price increases in inputs. In Agriculture-IPI in September 2022, compared to the same month of the previous year, there was a substantial increase of 138.15%. Among the subgroups with notable annual increases, fertilizers and soil improvers increased by 226.63%, energy, lubricants rose by 193.88%, and plant protection products and pesticides saw a rise of 110.51%.



Annual rates of changes of some sub-group of agricultural –IPI (%)



Consumer price index (CPI) increased by 64.77% annually

As reported by the Turkish Statistical Institute (TÜİK), the change in the Consumer Price Index (CPI) was 64.77% in December 2023 compared to the same month of the previous year. The annual increase in the main group of Food and Non-Alcoholic Beverages was 72.01%.

Data on Tomatoes from the World and Turkey

According to the latest data published by the FAO, the global tomato cultivation area amounted to around 49.2 million decares in 2022 (2021: 50.5 million decares). However, global tomato production (both fresh consumption and processed) decreased by 1.7% compared to the previous year, reaching around 186.1 million tons. As of 2022, China led the world in tomato production with 68.2 million tons, followed by India with 20.7 million tons, Turkey with 13.0 million tons, the United States with 10.2 million tons, Egypt with 6.3 million tons, and Italy with 6.1 million tons. The total tomato production of the leading 10 countries accounted for 75% of the global tomato production in 2022.

According to the data from the Turkish Statistical Institute, it is estimated that Turkey's vegetable production will reach approximately 31.7 million tons by the end of 2023. Tomatoes, the most produced vegetable in Turkey, experienced a 2.3% increase compared to the previous year, reaching a production quantity of 13.3 million tons (both table and industrial). Tomatoes accounted for a 42.0% share in the total vegetable production in 2023.

According to the data from the Turkish Statistical Institute, it is indicated that Turkey's vegetable production reached

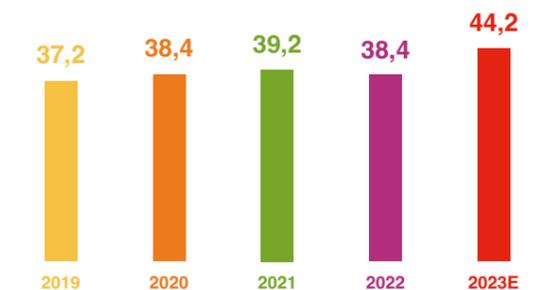
According to Euromonitor's 2023 Global Processed Tomato Market report, the worldwide market for processed tomato products (canned tomato products, ketchup, soup, ready meals, sauces and purees, pizza and pasta sauces, etc.) is expected to increase in value from 140 billion euros in 2017 to nearly 157 billion euros in 2023 and could reach approximately 169 billion euros by 2027. In terms of quantity, it is anticipated that the global market for processed tomato products will surpass 34.2 million tons in 2023, rising from 31 million tons in 2017, and is projected to reach around 37.2 million tons by 2027.

31.8 million tons by the end of 2023. Tomatoes, the most produced vegetable in Turkey, experienced a 2.3% increase compared to the previous year, reaching a production quantity of 13.3 million tons (both fresh consumption and processed). Tomatoes accounted for a 42.0% share in the total vegetable production in 2023.

20% of the tomatoes grown in the World are processed in the Industry

The WPTC (World Processing Tomato Council) predicts a significant increase in global processed tomato production, reaching 44.2 million tons in 2023, representing a growth of 14.9% compared to the 38.4 million tons in 2022.

World Industrial Tomato Processing Amounts (mn tons)⁴



⁴ TomatoNews/ WTPC World Tomato Processing estimated data as of 26 Oct 2023

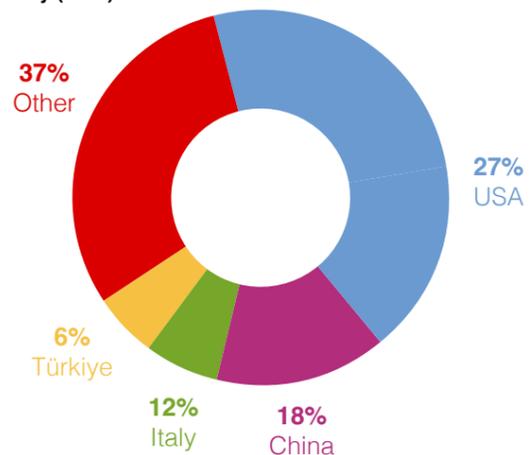
In 2023, Turkey is expected to become the fourth-largest processed tomato producer globally, following the United States, China, and Italy, with an estimated processing volume of 2.7 million tons. Additionally, within Europe, Turkey ranks as the second-largest producer. It is observed that Turkey's production figure represents 6% of the global processed tomato volume of 44.2 million tons.

000 tons	2021	2022	2023E	2023 yoy Change
USA	10.223	9.964	11.920	19,6%
China	4.800	6.200	8.000	29,0%
Italy	6.059	5.476	5.400	-1,4%
Turkey	2.200	2.350	2.700	14,9%
Spain	3.185	2.125	2.600	22,4%
Brazil	1.525	1.632	1.650	1,1%
Portugese	1.596	1.414	1.500	6,1%
Other	9.596	9.288	10.424	12,2%
Total	39.184	38.449	44.194	14,9%

Source: WTPC World Tomato Processing estimated data as of 26 Oct 2023

Global climate change, water shortages, and the increasing costs of inputs for tomato cultivation, such as fuel and fertilizer, caused total global tomato processing amounts to fall in 2022. The production forecasts for 2023 in California and China are expected to account for 65% of the anticipated growth. Notably, Turkey and Spain are the other countries attracting attention in production predictions. Italy, a significant producer, is expected to see a slight decline of 1.4% in annual processed tomato volume due to adverse weather conditions and an extended season.

World Tomato Processing Amounts - Distribution by Country (2023)



Source: WTPC World Tomato Processing estimated data as of 26 Oct 2023



In Turkey, the foreign currency inflow from tomato paste exports in 2022 increased by 97%, from 208 million dollars in 2021 to 408 million dollars. In 2023, Turkey's tomato paste exports decreased by 52% to 133 thousand tons, and on a dollar basis decreased by 47% to 216 million dollars, as the production cost increases in the previous year remained above the exchange rate increase. In 2023, Turkey's ketchup and tomato sauce exports were 32 million dollars (2022: 22 million dollars), while tomato products exports were 58 million dollars (2022: 53 million dollars)

Turkey's tomato products export and import data (million USD\$)

		Export	Import
Tomato Paste*	2021	207,77	1,70
	2022	407,91	1,93
	2023	215,57	3,08
Ketchup and other tomato sauces**	2021	16,80	5,25
	2022	21,98	5,66
	2023	31,58	5,69
Tomato Products***	2021	41,46	0,71
	2022	53,48	0,20
	2023	58,07	0,34

Source: TÜİK

* HS12 kod: 20029011; 20029019; 20029031; 20029039; 20029091; 20029099

** HS12 kod: 2103200

*** HS12 kod: 2002101; 2002109

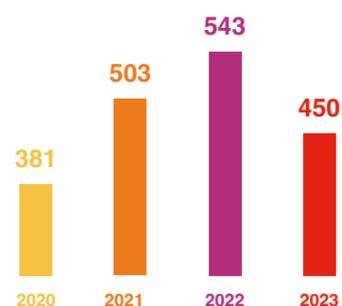
Production and Sales

With 2.7 million tons of tomatoes processed in 2023, Türkiye ranks 4th after the US, China, Italy and Spain, representing 6.1% of the world's production of 44 million tons.¹

In 2023, Tat Gıda processed a total of 450,000 tons of tomatoes at its factories in Bursa/Mustafakemalpaşa, Bursa/Karacabey, and İzmir/Torbalı, accounting for 17% of Türkiye's total tomato processing volume (2022: 23.1%). Tat's daily tomato processing capacity ranks 10th among world producers.

With the impact of its investments in 2021, Tat Gıda achieved a significant success, processing 503,000 tons of tomatoes. This momentum continued in 2022, with the amount of tomatoes processed rising to 543,000 tons. In 2023, Tat Gıda's tomato processing volume declined to 450,000 tons due to the slowdown in domestic demand for tomato paste and the decline in exports abroad, especially in the first half of the year. However, Tat Gıda maintains its sustainable growth in the sector and remains above its former tomato processing volume range of 300,000 to 380,000 tons.

Tat Gıda Tomato Processing (thousand tons)



Tat Gıda's total production was 135,390 tons in 2023 (2022: 150,163 tons). Sauce production increased 24% to 27,453 tons in 2023 due to the increase in annual PET bottle sauce production capacity from 45 million units to 75 million units with the new sauce filling line investment in 2023. According to a Nielsen report, the total Turkish tomato paste market grew 14% in 2022, while in 2023 it declined 0.3% compared to the previous year. Production in other categories declined in 2023 due to decreased domestic demand for tomato paste and production mix.

Tat Gıda's sales volume in 2023 decreased 3.7% year-on-year to 135,000 tons.

Production (tons)	2023	2022	Annual Change
Paste & Tomato Products	86,751	100,497	-14%
Pickles	9,119	12,887	-29%
Ketchup, Mayonnaise & Other Sauces	27,453	22,135	24%
Ready-to-eat and Other Canned Foods	12,067	14,643	-18%
Total	135,390	150,163	-10%

Revenue and Sales Volume	2023	2022	Annual Change
Sales Volume (tons)	130,120	135,067	-3.7%
Net Sales (million TL)	5,752	5,249	+9.0%

According to the inflation-adjusted financial report, net sales amounted to TL 5,758 million, 9.7% more than the previous year.

Tat Gıda's domestic sales increased by 13% to TL 3,863,180.562; with international sales increasing 3% to TL 1,888,494.804. In 2023, the export share of total sales was 33% (2022:35%).

Investments and Financing

In recent years, Tat Gıda has reshaped its product range and decided to focus on its core business of tomato paste and canned products, which have higher shares of total profitability. With the tomato paste production line investment in 2021 following this decision, it increased its total annual tomato paste production capacity from 71,000 tons to 85,000 tons at all production facilities, and with the gherkin pickles production line investment, it increased its total annual gherkin pickles production capacity from 5,000 tons to 22,000 tons.

In 2022 and 2023, Tat Gıda continued to invest in renewal, maintenance, and automation, and in 2023, it increased its annual PET bottle sauce production capacity from 45 million units to 75 million units after investing in a new sauce filling line. Tat Gıda's total investment expenditures in 2023 amounted to TL 430,809,867.

Investment Expenditures	December 31, 2023	December 31, 2022
Tomato paste and canned products	293,300,789	359,484,258
Unallocable to departments Investment expenditures	137,509,078	66,815,040
Total	430,809,867	426,299,298

GOVERNMENT INCENTIVES

Certain government incentives allow the Company to pay reduced corporate tax provided it makes various investments. The details of these incentives are disclosed in Note 26 -Tax Assets and Liabilities/Income Tax Withholding in the financial statements for the year ended December 31, 2023.

RESEARCH AND DEVELOPMENT ACTIVITIES

With the approval granted by the Ministry of Science, Industry, and Technology on October 6, 2017, Tat Gıda's R&D Center started its operations to benefit from incentives and exemptions within the scope of decision No. 5746. The Company spent TL 28,597,615 on R&D activities in 2023 (2022: TL 12,881,530).

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD) LOAN AGREEMENT

In 2022, Tat Gıda signed an agreement with the European Bank for Reconstruction and Development (EBRD) for a maximum of EUR 20 million or TL that will amount to the same figure in EUR loans to finance various investment expenditures in efficiency, modernization, etc. and working capital for its production plants. The first EUR 10 million of the loan has a maturity of 5 years with a grace period of 18 months, the next EUR 5 million has a maturity of 3 years with a grace period of 3 years and the last EUR 5 million has a maturity of 3 years with a grace period of 12 months, and principal and interest payments will be made every 6 months. According to the relevant limit, a total of EUR 15 million was used as a loan, EUR 7.5 million in 2022 and EUR 7.5 million in 2023.

ISSUED SECURITIES

The details of the bonds and commercial papers issued by the Company are disclosed in Note 6 - Financial Borrowings in the financial statements for the year ending on December 31, 2023.

¹ TomatoNews: WPTC World tomato processing; October 26, 2023

Marketing Activities

Setting itself the goal to "transform from a well-established, traditional canned food brand into a modern, innovative food brand", in 2023 Tat Gıda started with a strategy to differentiate its classic products, expand into the sauce and ready-to-eat food categories, and grow through innovative products.

Tat Gıda has been the top brand in its category in the Turkish market since 1967. According to research, its brand strength comes from being the leading, highest-valued, first brand to come to mind in its main categories. In addition, Tat continues to increase its market share through its high distribution rate, its shelf share in both national and local chains, its widespread distribution in smaller traditional channels, and both its listed products and periodic in & out operations in discount markets, which are getting bigger every day.

To protect its power and continue to be the leading brand in the future, Tat has set itself the goal to transform from a well-established, traditional canned food brand to a modern, innovative food brand, and has directed all its marketing operations in 2023 with a strategy for achieving this goal.

This strategy consisted of 3 main actions. Tat first focused on differentiating its classic products which are leaders in the Turkish market, renewing all the packaging and label designs of its tomato paste, tomato, and pickle products in a way that highlights their value propositions and makes them stand out on the shelves. Tat adopted the "Summer Tomato" concept for its tomato paste and tomato product range to emphasize that they are produced from seasonal, fresh, summer tomatoes without added salt. The difference this clear value proposition would create in consumer perception and on the shelf was supported by quantitative and neuro research, and the "Made from Summer Tomatoes" label was introduced on packaging and in all communications. In addition, Tat aims to increase its number of innovative products in these categories. During Ramadan in 2023, the concept of 'Summer Tomatoes in Iftar Meals' was introduced to consumers both in the field and on digital platforms.

In the sauce category, Tat set out with the goal of extending its strength in ketchup to mayonnaise and flavoring sauces, and supported its strategy with a new product range and revamped labels and communication. In the market, Tat grew with custom products in channels that matched consumer demands, and introduced innovative products such as hot sauce and burger sauce. As a result of this strategy, Tat became even stronger in the ketchup market, where it has been the leader for years, and in 2023, it took the lead in the mayonnaise market as well.

Tat also continued to grow in the Ready to Serve category, where it made a breakthrough with the launch of Ready-Made Dishes in 2022. With an approach centered on consumer likes and demands at every stage, the Tat Ready to Serve Family was completely renewed with 12 new innovative products ranging from cold bean salads to soups, and from hot dishes to rice. These new products will be available to consumers in early 2024.

In 2023, sales points as well as TV and digital channels were adopted as the main promotional channels for consumers, and were supported with creative solutions in line with their unique dynamics.

TAT: THIS IS IT!

For years, Tat has been serving its excellent products in different categories to consumers with different communications. In 2023, Tat created a communication roadmap using the motto, 'Now That is Tasty Tat' covering all categories with visual and audio brand promotions. 'This is Tat' was launched with a sauce campaign that went, 'Tat: You'll Clean Up Your Plate'.



TAT: YOU'LL CLEAN UP YOUR PLATE

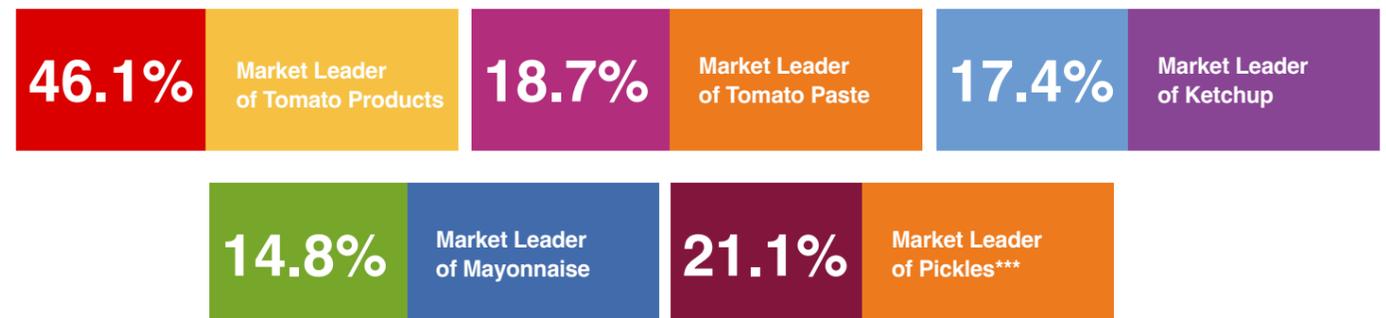
The company's 2023 strategy in the sauce category is "growth and attack". Therefore, Tat prioritized growth and popularity, especially among the younger target groups. Research shows that Tat is the first to come to mind brand for "sauce" in the Turkish market. To reflect this power on young consumers, Tat focused on insights from young people and introduced the "Tat: You'll Clean Up Your Plate" campaign to consumers.

The "Tat: You'll Clean Up Your Plate" promotions first aired in the first week of May through TV, digital media, outdoor and radio channels, and displays at points of sales.

With their new packaging, Tat Sauce products were tasted by more than 50,000 consumers at various events such as University Festivals, the Migros 100th Anniversary Festival, and Brandweek.



Scan the QR code to watch our 'Tat: You'll Clean Up Your Plate' film.



Source:
 * Nielsen (Total Turkish Market Measurement Data - December 2023 FYD)
 ** Nielsen Supermarket Scantrack (FYD December 2023)
 *** Nielsen Supermarket Scantrack (FYD December 2023)

In the Economy Benefit Index issued by the Turkish Reputation Academy (TIA) in cooperation with Beykoz University and with Bursa Technical University as rapporteur, Tat was named "The Diamond Brand of the Turkish Ketchup/Paste and Canned Food sectors".

TÜRKİYE'S LOVEMARK KETCHUP

In 2023, Tat's "Tat: You'll Clean Up Your Plate" campaign made a huge impact. The campaign spread across a wide range of channels, from TV to digital media, and from indoor advertisements to events, hitting its target audience and raising consumer awareness about the changes at Tat. In addition to the many awards it won for its marketing campaigns in 2023, Tat was also voted Türkiye's Lovemark Ketchup in the ketchup category the first time it entered the Türkiye's Lovemarks survey conducted by MediaCat in collaboration with Ipsos.

In Türkiye's Lovemarks survey conducted by MediaCat in collaboration with Ipsos, its ketchup category was evaluated for the first time and Tat was voted Türkiye's Lovemark Ketchup by a clear margin.



TAT PRODUCT FAMILY



"Tats" Collected and Produced in Season

- Tomato Paste
- Pepper Paste
- Mixed Paste
- Organic Paste
- Tomato Products
- Organic Tomato Products
- Canned Vegetables
- Canned Peas & Garnish



Read to Serve Tats

- Meat Dishes
- Rice
- Soups
- Bowl salads
- Bean Salad
- Olive oil dishes
- Boiled Legumes
- Organic Boiled Legumes
- Bread Spreads
- Jams & Marmalades
- Pickles
- Roasted Vegetables



Tats Adding Taste

- Ketchup
- Chili Ketchup
- Organic Ketchup
- Mayonnaise
- Garlic Mayonnaise
- Light Flavor Mayonnaise
- Mustard
- Hot Sauce
- Burger Sauce
- Ranch Sauce
- Barbecue Sauce
- Pasta Sauces

AMBITIOUS IN EVERY CATEGORY

For 56 years, Tat has been a safe, admired brand. By the end of the year, Tat's strong performance in 2023 had made it the market leader* in many categories, with active sales of 243 different products across Türkiye.



2023 Anuga Fair

Exports

Taking firm steps towards becoming a global brand, Tat Gıda's exports to more than 40 countries continued to increase in 2023.

Exports play an important role in achieving Tat Gıda's sustainable, profitable growth targets. For Tat Gıda, strengthening the economy through investments, employment, and exports is a national issue and responsibility, and its export growth continued throughout 2020 to 2023. The most important categories that contributed to this growth were sauce, tomato paste, and tomato products.

By country, Japan, Germany, and Italy were the top export destinations, while Europe was the top export destination by region. In the industrial channel, Japan and France had the largest share of exports. Compared to the previous year, exports increased the most to France, the UK, and Saudi Arabia.

In 2023, Tat Gıda's export team participated in Moscow's Prodexpo, Dubai's Gulfood, and Germany's Anuga Fair, and continued its operations to expand both in new markets and with new products. At Anuga Cologne, one of the world's most influential food fairs which attracted a record number of visitors, Tat Gıda had a 140 square meter stand where it met different customer groups from many countries. This was an important opportunity to introduce many products in different categories to potential customers from around the world. For 2024, stand and accreditation work for Dubai's Gulfood and Russia's Prodexpo fairs have been completed.

As a result of these efforts, 28 new customers in 12 new countries were added to the portfolio in 2023, generating additional sales and contributing to total exports.

An agreement was signed with a major chain store in Europe, with production starting in the sauce category in December 2023. Tat also entered into commercial activities in the sauce group with one of the largest retailers in France. In 2023, as in 2022, private label projects continued in the pickle group in leading chain markets. The company launched its private label

Tat Gıda's export growth continued throughout 2020 to 2023. The most important categories that contributed to this growth were sauce, tomato paste, and tomato products.

pizza sauce in the European market. Tat Gıda also accelerated its R&D efforts with the aim of diversifying its growth in the sauce category.

The company recruited salespeople based in the German and Russian markets to investigate these markets more closely and act according to local market needs, thus contributing to achieving global targets with local actions.

To achieve its marketing goals, the focus in 2023 was to deliver on-target projects. The Company focused on direct sales and brand awareness, especially in the European market, and supported communication through digital marketing and field activities.

To reinforce the brand perception of Tat in the minds of ethnic consumers in the German market and establish a bond with them, Tat started to sponsor the Tatlı Hayat (Life with Tat) program on the Metropol FM radio channel.

To increase in-store visibility, Tat used various POP materials to draw consumers' attention to its brands. In addition, consumers were introduced to the entire product range of the Tat brand with portable stands specially designed for the Northern Cyprus, Germany, and Middle East markets. Social media activities continued for Germany and Iraq, in addition to collaborations with influencers for the ethnic market in Europe.

Tat Gıda continues to invest in international markets in line with its goal of growing and expanding its product range. It is reviewing the entire system for profitable and sustainable growth, and planning investments in both human resources and information technologies to gain momentum. Tat Gıda will continue to grow and increase its share in exports in 2024.

Also, it will sign new distribution agreements with the US, UK, Germany, Russia, France, Japan, Saudi Arabia, Australia, and New Zealand and continue to improve the awareness of the Tat brand in new countries and markets. Tat Gıda will sustain its work on branded and private label products in 2024.

Export Share of Total Sales

	TL M TURNOVER	RATE
Exports	1,888	33%
Domestic Market	3,863	67%
	5,752	100%



2023 Prodexpo Fuarı



Tat in the Future



Sustainability

- 48 Sustainability Strategy
- 50 1 - Our Roots Values
 - 51 A. Compliance Policy
 - 52 B. Ethical Principles
- 54 2 - Our Soil The World
 - 55 A. Digital Agriculture
 - 59 B. Environment and Energy Management
- 64 3 - Our Effort People
 - 65 A. Human Resources
 - 71 B. Occupational Health and Safety
- 74 4 - What We Share Society
 - 75 A. Sustainable Agriculture with Farmers
 - 78 B. R&D
- 80 Digital Transformation
- 82 Quality



Sustainability Strategy

To achieve a more livable world with a more positive social and economic structure today and in the future, Tat Gıda continues its intensive sustainability work to contribute to the common global goals every year.

SUSTAINABILITY APPROACH

Tat Gıda has recently boosted its sustainability performance. With progress in every ESG performance area in 2023, it has become a more active and harmonious organization with a new business approach, which our community and the global business world are increasingly adopting.

The United Nations Sustainable Development Goals have clearer targets with more and more participants from around the world, while the World Economic Forum determines the frame of the road maps based on environmental, social and governance metrics the business world follows to achieve these goals. Tat Gıda's sustainability model created in accordance with stakeholder capitalism metrics can be broken down into four main categories: Values, the World, People, and Society.

In 2023, Tat Gıda worked on its corporate contributions and impacts in more detail on all these topics and defined its goals more clearly. In other words, it set clear targets for social development, direct and indirect contributions to local and global economies, monitoring the health and well-being of all internal and external stakeholders, and protecting the planet. In order to achieve these targets, Tat Gıda accelerated its technical work to build a more trackable, reportable, and accountable infrastructure.

SUSTAINABILITY MANAGEMENT

Throughout 2023, sustainability management focused on increasing active participation by internal stakeholders, implementing effective methods to increase this participation day by day.

Tat Gıda's sustainability management has a wider base today and has become a structure in which internal stakeholders perceive their work and goals more clearly and actively contribute to development. Sustainability management committee meetings have become priority meetings where environmental and social performance issues are reviewed, steps to improve management quality are discussed, decisions are made, and goals and road maps are clarified. Tat Gıda's sustainability management stands out as a structure that all employees contribute to with the highest level of participation.

Tat Gıda sustainability management committees have intensified their efforts to ensure participation by external stakeholders and have started project applications aimed at achieving equal representation by everyone along the entire value chain in decision-making processes.

In 2023, Tat Gıda published its first Sustainability Report for its 2022 operations and took the opportunity to explain how it focuses on sustainability in all its business processes.

Tat Gıda applied for and succeeded in becoming a UNGC member company.

It has been listed on the BIST Sustainability Index since 2016. In 2023, the company succeeded in raising its Refinitiv ESG score from 63 to 74 for its 2022 activities.

Sustainability Approach and Main Categories



Our Roots Values.

Tat Gıda aims to provide healthy, reliable, and accessible products that add value to humanity. Tat Gıda works to be a reliable global brand with its governance approach that puts quality at the center of every process, its commitment to its founding values, its principles to establish ethical collaborations with all its stakeholders, and its ability to analyze future risks and opportunities.



Our Soil The World.

Tat Gıda is well aware that humanity's existence depends on a healthy world. One of our core principles is that all our operations, from farm to fork, protect our soil, water, and air, while supporting the preservation of the world through digital agricultural practices.



Our Effort People.

Tat Gıda is an organization that respects the efforts of all its stakeholders like employees, engineers, managers, and farmers it works with. Tat Gıda attaches the utmost importance to the equality and diversity of all stakeholders in an environment free from discrimination, and respects the contribution of all stakeholders to decision-making processes in order to create a more livable world.



What We Share Society.

Tat Gıda has adopted the principle of "sharing its values, soil, and labor with all its stakeholders, making sure that all its products are convenient". In addition, Tat seeks to enrich society in every region it operates in and to help them get ready for the future through development activities which the company continues without interruption.

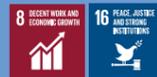


Our Roots Values.



Our Roots Values.

Tat Gida aims to provide healthy, reliable, and accessible products that add value to humanity. Tat Gida works to be a reliable global brand with its governance approach that puts quality at the center of every process, its commitment to its founding values, its principles to establish ethical collaborations with all its stakeholders, and its ability to analyze future risks and opportunities.



Compliance Policy

Ethical Principles

Compliance Program

Tat Gida has adopted the policy of being transparent, fair, and accountable in its relations with all its stakeholders. While carrying out its activities, it complies with relevant legislation and its contractual commitments, and acts according to its "Ethical Principles". In order to demonstrate Tat Gida's commitment to complying with legal regulations, internal policies, good corporate governance practices, and ethical rules, Tat Gida has created its own Compliance Policy.

The Compliance Policy is a set of rules, policies, and procedures aimed at identifying and managing Tat Gida's compliance-related issues with a risk-based approach. The Tat Gida Ethical Principles, which have been updated as part of the Compliance Policy, aim to guide all Tat Gida employees and business partners. Compliance with the Tat Gida Ethical Principles is the duty and responsibility of all Tat Gida employees, with Tat Gida senior management showing leadership in this regard.

The main components of the Tat Gida Compliance Program are listed below:

- Prevention
- Detection
- Response

The illustration below shows the components of the Compliance Program and the composition of these components. The Tat Gida Ethical Principles provide a comprehensive framework for Tat Gida employees and stakeholders, especially on issues such as human rights, combating bribery and corruption, preventing conflicts of interest, economic sanctions, protecting confidentiality and internal information, and occupational health and safety.

As part of the Compliance Program, the policies below have been developed, and efforts to diversify them are ongoing.

- Ethical Principles
- Compliance Policy
- Anti-Bribery and Anti-Corruption Policy
- Donations and Sponsorship Policy
- Gift and Hospitality Policy
- Human Rights Policy
- Supply Chain Compliance Policy
- Social Investment Policy
- Sanctions and Export Controls Policy
- Competition Law Compliance Policy
- Personal Data Protection Policy
- Whistleblowing Policy

Tat Gida's Code of Ethics, Compliance Policy regarding organizational details on compliance, and supporting policies are available on the Tat Gida website.

The Ethics Hotline is available for all stakeholders to report any issues or actions they think might be contrary to the Tat Gida Ethical Principles. Notification can be made by phone and/or online at the Ethics Hotline. Information about the Ethics Hotline is also available on the Tat Gida website.



Ethical Principles

ETHICAL APPROACH

The code of ethical conduct complies with the personnel regulations and has been shared with all employees. The Ethics Committee, consisting of the General Manager, the relevant Assistant General Manager, the Human Resources Director, the Legal Counsel, and the Internal Audit Manager is responsible for the seamless implementation of all ethical rules throughout the company.

ETHICS AND COMPLIANCE

Tat Gıda runs its business with a transparent management approach with no departure from fundamental human rights and ethical values.

Inspired by the words of our founder, Vehbi Koç, who said, "Our principle is to behave with good faith and understanding and to comply with laws and moral rules at all times, in order to provide fair, mutual benefits in all our relationships", Tat Gıda has brought together the principles guiding its business model in "The Code of Ethical Conduct and Principles of Practice" and shared them with all its stakeholders. The 'Code of Ethical Conduct and Principles of Practice' also includes articles relating to anti-bribery and is given to all employees, as well as being available to all employees and stakeholders on the intranet and website. New Tat Gıda employees learn the Code of Ethical Conduct and Principles of Practices, including its policies against corruption and bribery, as part of their orientation process.

Integrity, honesty, responsibility, trust and respect are our core values that guide our decisions and actions. All Tat Gıda employees and management exhibit attitudes and behaviors that ensure cultural integrity in light of these values.

Across all our processes, we take care to:

- Respect human rights,
- Abide by the law in all circumstances,
- Fight bribery and corruption,
- Avoid conflicts of interest and prevent potential conflicts,
- Comply with economic sanctions and export controls,
- Be sensitive to confidentiality and the protection of internal information,
- Make donations, sponsorships and social investments in accordance with procedures,
- Comply with the principles of competition law,
- Create a healthy and safe work environment,
- Use our social media accounts in a way that does not conflict with our business interests,
- Build honest and fair relationships with our stakeholders.



Our Soil The World.

Our Soil The World.



Tat Gıda is well aware that humanity's existence depends on a healthy world. One of our core principles is that all our operations, from farm to fork, protect our soil, water, and air, while supporting the preservation of the world through digital agricultural practices.



Digital Agriculture

Environment and Energy Management

Digital Agriculture

The goal of Tat Gıda's sustainable agriculture vision is to increase quality and efficiency in production while strengthening communication with its tomato farmers and increasing its competencies through digitizing its agriculture program.

With its vast agricultural knowledge, Tat Gıda supports farmers in sustainable agriculture, with the aim of leading agricultural transformation by spreading digital agriculture and applying new agricultural technologies in food production.

To that end, Tat Gıda works primarily to spread the useful farming technologies it has gained through its digitalization experiences using digital farming technologies and innovative practices that increase the quality and efficiency on its arable lands.

In 2023, 6 digital agriculture projects were implemented:

- Digital Transformation Program/Digital Field
- Effective Water Use in Tomato Farming
- Tat Agriculture Mobile Application
- Agrigenius + Plant Protection Program
- Seed Improvement Technology
- Contract Digital Tomato Farming Management Platform

In accordance with its vision on sustainable agriculture, Tat Gıda's work on digital agriculture enables farmers to produce more efficiently and makes huge contributions to sustainability.

COOPERATION FOR THE DEVELOPMENT OF AGRICULTURAL TECHNOLOGIES

Tat Gıda collaborates with many national and international business partners in all its digital agricultural operations.

TAT GIDA IS TRANSFORMING THE SOIL INTO DIGITAL FIELDS!

Tat Gıda is working intensively to spread its technologies to ensure the sustainability of agricultural raw materials, to make it easier for farmers to make the right decisions at the right times based on technology and data, to increase the quality and efficiency of their products, and to increase their knowledge and awareness.





At the Common Future Award Program held by the Turkish Confederation of Employer Associations (TİSK), Tat Gıda received an award for its "Contracted Farmers and Digital Agriculture Program".

Mobile Soil Analyzer: This digital soil scanner analyzes the nutrients in the soil in only 5 minutes to suggest the proper fertilizer type and amount. Tat Gıda uses its 3 portable Digital Soil Analyzers to help farmers select suitable fields for tomatoes or to implement the proper fertilization program.

Digital Pheromone Traps: Pheromones emit odors that attract pests (insects). The pheromones in the Digital Pheromone Traps attract and catch the pests of tomato plants. The cameras and image processing technology in the device detect and count their number, and this data is shared daily through an application. These devices make it easy to monitor insect populations, ensuring timely action and reducing possible economic losses due to insects. Tat Gıda uses 7 Digital Pheromone Traps on its agricultural lands, mainly for the control of "Tuta".

Future investments will prioritize large-scale data collection, decision-making support systems, and mechanization, and plans to launch irrigation systems, insect and disease monitoring systems, programs to encourage farmers' use of technology, as well as technologies and practices that improve quality and efficiency are already underway.

Tat Leader Farmer Mobile Application

In addition to helping today's farmers get acquainted with new technologies, Tat Gıda also cares about introducing young, new generations to farming. Thus, Tat is working on new projects to provide knowledge and experience to visionary young farmers who have new generation agricultural knowledge, think agricultural R&D is important, and can use smart agricultural systems.

Satellite Technologies: Satellite images of fields are analyzed to get information about plant health. This critical technology is a much more practical way for farmers to monitor their plants' health and it makes agricultural operations more sustainable. Tat Gıda annually monitors the croplands of its farmers using satellite technologies, covering an area of 10,000 decares.

Climate Stations: Tat Gıda has 4 Climate Stations in Bursa (Mustafakemalpaşa, Karacabey) and Izmir (Torbalı) whose sensors provide, measure, and collect meteorological information, changes in climate parameters, and changes in agricultural areas.

Digital Farming Stations: These devices contain many sensors and are connected by the Internet of Things. By instantly providing information on soil and weather conditions, these technologies help optimize irrigation, make it easier to manage the risks of plant disease and frost, and to make better decisions on disinfecting. Tat Gıda uses 2 stations on its croplands.

DIGITAL FARMING LOWERS THE COST OF TOMATO FARMING BY 30%

Launched in 2018 in a pioneering development in digital agriculture, the size of our digital agricultural fields and contracted farmer lands grew to 6300 decares in 2023. This concept of agricultural operations using technological solutions and good agricultural practices in its digital fields helps Tat Gıda achieve yields of 10-11 tons per decare compared with the average yield of 7-8 tons per decare in the region. In addition, the cost of cultivation per 1 ton of tomatoes is 30% lower than the regional average.

658 farmers use the mobile application developed by Tat Gıda, which offers agricultural and digital farming services. The applications provides:

- Daily and hourly weather information, optimal hours for spraying, available tractors, fuel prices, news and announcements, phytosanitary maps based on satellite analysis and the Contract Statement Module—a first in the sector.
- The statement module provides farmers with information on contracted tonnage, receivables, and delivery performance, including those from different years.

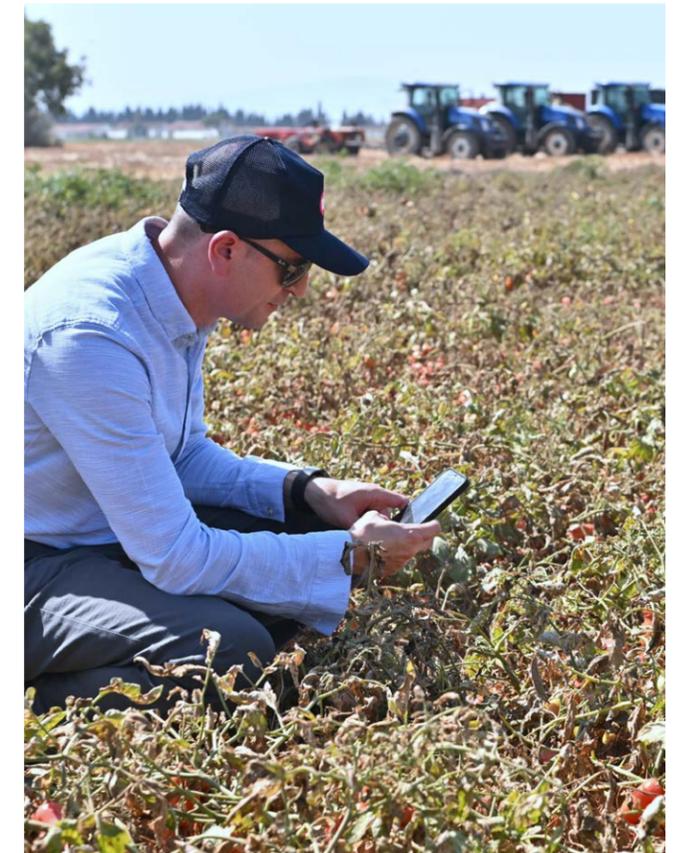
The next goal is to integrate the Contract Production Management module into the mobile application.

Digital Transformation Program Launched

The Digital Transformation Program was launched in 2023, bringing technology to a total area of 6300 decares, including 5000 decares of contracted farmers' fields and Tat Gıda arable lands, by offering various digital agricultural devices to farmers so they could monitor their lands together. 96 contract farmers, Tat Agricultural Engineers, and overseers were included in the program in which:

- Farmers were provided with 600+ trainings and support.
- Contracted farmers received "Phytosanitary Monitoring" services using satellite technologies.
- Problematic areas were identified in the phytosanitary maps based on satellite images which were checked together with Tat Overseers. 123 photographs were taken of these problematic areas and the actions necessary were taken.

- Digital Farming Stations were installed in the fields of 24 farmers. The temperature and humidity sensors in the stations gave them optimal irrigation recommendations and disease risk warnings. Farmers were also able to track the daily insect population via the mobile application.



- Farmers were kept in constant contact with the WhatsApp Group.
- Farmers logged in to the satellite application 1,065 times and to the TAT Agriculture Mobile Application and others 1,778 times.

As a result of the program:

- Yield increased by 13.6% in fields where technology was applied compared to lowland yields.
- Satellite use increased efficiency by 5%.
- Sprouts and PesTrapp use increased yield by 6%.

96% of the farmers in the Digital Transformation Program expressed their satisfaction. Digital Field Day Events are organized every year to introduce farmers to new agricultural practices and technologies. In addition, the Agriculture and Advanced Food Technology Center (Agro Hub) organizes farmer and youth trainings. Within two years, 1,000 farmers will have received these trainings. To attract young people to agriculture, we organize trainings and provide information and awareness. In this context, we aim to reach 1,000 young people.

Tat Gıda's investments in digital agricultural applications and mechanization continues.



Energy Management and the Environment

In 2023, Tat Gıda took many concrete steps and realized a number of energy efficiency projects to save 722,232 GJ of electricity and 5,960 GJ of natural gas.

Tat Gıda considers digital transformation in production to be an important tool for using global resources efficiently and making potential opportunities in this area visible. Thus, it operates in full awareness of how important sustainable agricultural practices are, and conducts important experiments to determine the proper actions to take, particularly in regards to the climate crisis.

In line with the Action for the Climate UN Sustainable Development Goal and the Paris Climate Agreement which calls for a proactive path and to reduce impacts in this area, the Company reduces its carbon emissions and develops projects to reduce its energy consumption.

Realizing the vision of reducing carbon emissions has been one of Tat Gıda's main focuses in 2023. As unit prices for energy fluctuated throughout the year, the search for and design of alternative fuels became one of the most important issues for Tat Gıda, which increased its energy efficiency efforts to reduce carbon emissions in its factories through the use of land-type solar power plants in areas outside of factory locations to increase the use of renewable energy.

Focusing on energy efficiency efforts, energy management systems, and renewable energy projects, Tat Gıda restructured its existing technical infrastructure under the Technical Works and Energy Management unit.



ENERGY EFFICIENCY

10 energy efficiency projects were completed at the Mustafakemalpaşa, Karacabey, and Torbalı plants, resulting in 722.6 GJ of electricity and 5.956 GJ of natural gas saved in 2023.

Significant energy efficiency projects in 2023:

Condensate recovery: A pump steam trap was used to recover the condensate return of the steam used on the ketchup preparation line/CFT ketchup preparation unit in the plant. The project saved 236 GJ in 2023 and its annual savings will be 2,840 GJ.

Re-Insulating the steam lines: The insulation on the steam lines in the plant was renewed and uninsulated lines and valves were insulated to save energy, resulting in total project energy savings of 3,030 GJ in 2023 and annual savings of 3,860 GJ.

Artificial intelligence supported smart deep well project: Smart software and an inverter control system were installed in the deep well that provide raw water in the plant, saving 371.3 GJ of electricity in 2023.

Light fixture Renovations: 50 Watt led fixtures were installed in place of 250 Watt mercury fixtures around the boiler room, RO line, and cooling towers and an astronomical time clock was installed to control all plant fixtures, resulting in 33.5 GJ of electricity saved in 2023 with annual savings of 75,6 GJ.

Changing the location of an electricity transformer: The electricity transformer of EVA4, one of the machines used in tomato paste production in the plant, was relocated from a location from 350 meters away to a point only 150 meters away, resulting in savings of 36.8 GJ of electricity in 2023 with annual savings of 43,2 GJ.

Efficient machinery: 2003 model sieves used to separate the tomato pulp and juice on the tomato paste line were replaced by more efficient, high capacity 2023 models, achieving 20.6 GJ of electric savings in 2023 with annual savings of 36.6 GJ.

Increasing the efficient steam boiler's operating time: The company's most efficient steam boiler is a 2021 model that operates in synchronization with an Apollo Pre-Evaporator, which operates at a higher pressure (15 bars) than the operating steam pressure (12 bars). Since the Apollo Pre-Evaporator operates when the capacity utilization rate exceeds 50%, it only operates approximately 50 days out of an average



75-day production season. During the 25-day operation down period, Tat achieved a 4.5% cost reduction in steam production by connecting the steam boiler to the plant steam installations to use the efficient boiler, saving 1,470 GJ of electricity in 2023.

Increasing the efficiency of the treatment plant sludge transfer pumps: An average 25% efficiency loss was detected in 7 different 300 m³/h capacity wastewater transfer pumps in the treatment plant. The worn pump fans causing the efficiency loss were replaced and the pumps returned to capacity rates, saving 249.5 GJ in 2023.

Evaporator condensate return separation and steam traps: The goal was to reduce or zero out the slowdown in production and energy losses that occur due to installation inefficiency and out-of-use armature in the T90 and T60 group evaporators on the tomato paste production line. In total, the 2 evaporators worked together for 34 days/season, saving 1,220 GJ in 2023.

Lighting improvements: 40% of the plant's perimeter lighting was replaced with LED fixtures, saving 10.9 GJ of electricity in 2023 with annual savings of 19,8 GJ.

WEF Lighthouse Work Continues

Tat Gıda continues to develop projects to make its production lines traceable from end to end to make potential opportunities visible, in line with its goal of being included in the lighthouse network as the polar star. With SIRI, the digital maturity assessment method officially recognized by the World Economic Forum (WEF), it finalized its digital transformation road map in April 2022. The map has 20 use-cases and 10 PoCs. The focal project themes include energy efficiency, process capability, IoT infrastructure for data-driven traceability and decision support systems. Prominent projects in this context include the:

- **Artificial Intelligence Supported Water Supply Management Project:** Saving 103,000 kWh/year
- **Sos Line Energy Cost Mapping Project:** Saving 50,000 kWh/year

As per its strategic roadmap and digital transformation vision, Tat Gıda's project goals include process optimization, energy efficiency, and maintenance management. An ongoing applied technical training series was launched in 2023 to support the decisions and automation infrastructure with internal resources. Work on increasing the number of use-cases continues in order to join the WEF Lighthouse community.

GREENHOUSE GAS EMISSIONS

The Company's carbon transition program aims to reduce emissions by investing in renewable energy. As part of this, the connection contract and zoning approval were completed for the 1.98 MWe capacity SPP/Solar Power Plant project in Manisa Akçaköy for the Torbalı Plant. In addition, the call letter process was completed for the 7.3 MWe capacity SPP project in Afyonkarahisar, Çiçektepe for the Mustafakemalpaşa and Karacabey plants. Phase 2 of the project has started with the

EIA (Environment Impact Analysis), connection contract, and zoning procedures.

With these projects, 70% of total electrical energy at our 3 locations will come from renewable energy sources.

Greenhouse gas emissions from current operations are measured and monitored comparatively over the years.

Greenhouse Gas	2020	2021	2022	2023
Scope 1 (ton CO ₂ e)	36,953	43,260	45,555	38,662
Scope 2 (ton CO ₂ e)	7,667	10,735	0	0
Total (ton CO ₂ e)	44,640	53,995	45,555	38,662
Carbon Emissions per ton (kg CO ₂ e)	362	398	303	280

MANAGING WATER RISKS

Tat follows a sensitive policy regarding water risks to draw attention to the huge consumption of natural resources in agricultural production and to take preventive measures. Priorities include ensuring environmental sustainability, efficient use of resources, and discharging wastewater in accordance with legal limits without harming the environment.

Tat Gıda demonstrates an environmentally sensitive approach with its wastewater treatment plants at its production centers. The biological wastewater plant at the Mustafakemalpaşa factory is the largest privately owned plant in the region. In the plants' regions, the Water Pollution Control Regulation

dictates the discharge limits to the environment, and the treatment plant discharge amounts are monitored 24/7 by the Ministry of the Environment and its affiliated Provincial Directorates of the Environment through the Continuous Wastewater Monitoring System Cabinets in the plants. In addition, all wastewater treated in wastewater plants is periodically analyzed both in the plant laboratory and in the laboratories of accredited institutions.

Water saving projects in Tat plants increased the water recovery rate to 30%.

Water and Wastewater Amount*	2020	2021	2022	2023
Water consumption (thousand m ³)	3,877	3,665	4,497	4,406
Water consumption per ton (m ³)	37	27	30	32,5
Amount of wastewater (thousand m ³)	3,551	3,295	4,047	3,969

* Total water consumption per annual production quantity.

WASTE MANAGEMENT

Tat Gıda considers waste management, and the reduction of energy use and greenhouse gas emissions throughout its entire supply chain to be extremely important. It's policy aims to prevent or reduce the generation of waste at the source in its plants and facilities, while working effectively to reduce waste by recycling.

In 2023, the Reuse of Barrels project was started, and the conical barrels used in all our plants began to be reused after repair and maintenance. The project was launched in June and reduced 278 tons of waste by the end of the year.

Waste (tons)*	2020	2021	2022	2023
Hazardous	22	42	14	17
Recycled	3,998	3,355	2,213	2,440
Recovery for energy	8,197	7,069	6,248	4,100

	2020	2021	2022	2023
Environmental Fines* (TL)	162,341/121,823	-/-	131,516/98,637	-/-

* No environmental fines were issued/paid in 2023.

ZERO WASTE MANAGEMENT SYSTEM

Tat Gıda monitors its environmental performance with the goal of continuous improvement and contributes to the circular economy through its Zero Waste Management System.

Tat Gıda has earned the ISO 50001 Energy Management System Certificate, ISO 14001 Environmental Management System Certificate, and ISO 14064 Greenhouse Gas Certification Certificate. In 2023, it successfully completed an ISO 14064 audit, a Ministry of Environment Unified Audit, and other customer audits.

It also received the I-REC certificate, proving that the electricity we consume is supplied from renewable energy sources.

Tat Gıda's Artificial Intelligence Supported Smart Well project was awarded "Best of the Year" in the digitalization category of the competition. A success film was shot with Koç Digital and aired on social media.



Scan the QR code to watch the film.

Our Effort People.



Our Effort People.

Tat Gıda is an organization that respects the efforts of all its stakeholders like employees, engineers, managers, and farmers it works with.

Tat Gıda attaches the utmost importance to the equality and diversity of all stakeholders in an environment free from discrimination, and respects the contribution of all stakeholders to decision-making processes in order to create a more livable world.



Human Resources

Occupational Health and Safety

Human Resources

In 2023, Tat Gıda's human resources focused on operational efficiency, employee experience and people-oriented practices, leadership and competency development, and diversifying the process of attracting and retaining talent.

Working to strengthen Tat Gıda's vision of the future and company strategies, the Human Resources Department focuses on developing, activating, and disseminating innovative and integrated human resources applications.

In 2023, the Human Resources department strategically focused on operational efficiency in human resources processes, employee experience and people-centered applications, leadership and competence development, and diversifying leadership and competencies.

EMPLOYER BRANDING - "WE ADDED TAT TO LIFE"

The new employer brand campaign, started in 2022, continued to be disseminated throughout the company and be integrated into human resources processes. All campuses were decorated with posters and visuals, and all internal and external company materials were renewed, achieving a holistic promotion from beginning to end.

Another focal point of the cultural studies was identifying organizational values and behaviors to be integrated into recruitment, performance evaluation, recognition, appreciation and reward processes in 2023. New recognition, reward, and performance monitoring applications were adopted and the relevant metrics began to be monitored.

Office arrangements were made in line with this cultural transformation, and an open office format was installed in the headquarters.

TALENT ACQUISITION

Tat Gıda's deep-rooted history dates back 57 years, making it one of Türkiye's pioneering, ambitious, and global companies. It carries out production operations in 3 different locations and is a leading company in its sector that continues to grow with its wide range of products.

In this regard, we select and recruit candidates who already have/carry a potential for the competencies necessary to carry Tat Gıda into the future while also supporting their development through objective evaluations based on Tat Gıda competencies and company values, which increase our employees' contribution to business results.

Each candidate who takes part in the selection and placement process at Tat Gıda is evaluated equally and objectively. We use a role-based customized inventory and evaluation center to access talent from different sources. We also effectively manage recruitment channels to continuously grow our candidate pool.

Aware of the expectations candidates have during the application process, one of the principles Tat Gıda has adopted is to give a positive/negative response to every candidate who reaches out to or applies to Tat Gıda. In order for each applicant to have a good candidate experience, we also support and measure all processes using digital tools, and we assess the feedback we get using critical performance indicators in order to improve the process.

Tat Liderlik Akademisi



Liderlik yolculuğumuz ödüllendi!

Liderliğe çok yönlü yaklaşarak fark yaratan Tat Liderlik Akademisi projemiz ile 2023 TEĞEP Öğrenme ve Gelişim Ödülünü, Liderlik ve Yönetici Geliştirme Kategorisi'nde 'En İyi' seçildik.

Projemize katkı sağlayan tüm çalışma arkadaşlarımıza ve paydaşlarımıza teşekkürlerimizle...



With its focus on talent management, the company's strategies in different areas, its growth and globally oriented vision, and its activities in multiple locations have brought about an intense focus on recruitment. Each employee hired has rotation opportunities to work at different functions and locations as part of their career development plans. To contribute to women's participation in work life, if two candidates with equal characteristics remained at the end of all selection and placement evaluations, the female candidate was preferred.

Digitalization projects were completed to rapidly access field employees in case of need, and to evaluate and manage interviews, and the field orientation process was redesigned to be more efficient.

INTERNSHIP OPPORTUNITY

Tat Gida knows that internships are very valuable for introducing students to professional life and providing for the needs of new graduates. In addition to offering short-term internship opportunities, Tat Gida also runs a "Talentat" program, which was renewed in 2023 to close the talent gap and increase employment of new graduates.

This year, the Talentat program included work on R&D, Information Technologies, and Production. The selection and placement process was managed objectively, with interns chosen after examination, inventory analysis, and interviews. At Tat Gida, interns play active roles, and we support their development with intensive training & development programs besides mentoring opportunities. The employment target after the internship has been set at 50%.

In 2023, the long-term "WinIT" program was launched to train informatics and software engineers, find candidates from various universities, and employ new graduates.

PERFORMANCE AND CAREER MANAGEMENT

Tat Gida disseminates its goals to all employees starting from top management via the Performance Management System OKR (Objects & Key Results). This system makes it possible for employees to adopt company goals and work with a culture focused on success, development, and feedback throughout the year. Employees are able to constantly review their OKRs, revise them with review (check-in) periods, and set performance goals with new focus areas.

Tat Gida holds career planning meetings every year to determine the future organization of the company, the development of employees with leadership potential, critical specialties, rotation, promotion, company backup plans, and talent pools. Individual development plans are used to track the development of employees in the talent pools. Monitoring performance indicators helps the company focus on acquiring and developing the talents needed.

ORGANIZATIONAL DEVELOPMENT AND DIGITALIZATION

In line with Tat Gida's digitalization strategies, system integrations, and RPA (Robotic Process Automation) applications continued to support Human Resources processes in 2023.

Another performance system was launched to monitor the performance of temporary employees. Manual operations in training and development were digitalized with the introduction of new self-service applications. In addition, efforts have started to develop systems that can digitally track the metrics of Human Resources.

TALENT AND LEADERSHIP DEVELOPMENT

Tat Gida runs training and development programs focusing on individual, functional, and company-oriented development. These programs aim to improve employees' competencies and continuously increase their levels of technical knowledge so they can contribute to the company's vision. Tat Gida implements not only training programs for development, but also on-the-job learning activities, projects, and rotations as part of the development management approach.

The "Tat Leadership Academy" program that started in 2022 with the participation of senior and middle level managers was selected the Best Leadership and Executive Development Program at the Tegep Learning and Development Awards.

EMPLOYEE EXPERIENCE AND ENGAGEMENT

Employee engagement surveys measure employee engagement every year. The most important goal in this process is to carry out focused studies by continually getting feedback from our employees.

Since improving employee experience is a critical focus for employee engagement, all management teams participated in leadership workshops with a focus on employee experience. Ethnographic studies were conducted to closely monitor the experience of employees and to determine areas where it could be improved. Also, field visits were performed to listen to employees one-to-one in addition to observing their activities. Critical experience points for employees including factory locations like the dining hall, cafeteria, shuttle, and the rest areas were renovated and the transition to an open office format in the headquarters continued. Work continues on the annual schedule. The 2023 survey showed employee engagement to be 58.2%, with a 3 point increase for office employees.

RECOGNITION AND REWARDS

Tat Gida uses different reward systems to celebrate employees' achievements that make a difference, to appreciate them in a timely manner, and to share their happiness. Every year, the most successfully executed projects are identified and these achievements are celebrated with ceremonies. Tat Gida aims to recognize exemplary behavior and achievements based on company values, to increase solidarity within the company, and to support continuous improvement by revealing the best practices through the reward system that covers all employees. In addition, annual award ceremonies are held to reward employees who have worked for many years at Tat Gida.

In 2023, the "Value Champions" award system was launched to recognize value-centered behaviors, and 28 employees were awarded.

In addition, a total of 200 people were awarded in the fields of OHS, instant awards, project awards and continuous improvement in 2023.

A YEAR OF STRONG UNITY WITH EMPLOYEES

Tat Gida believes that spending time together is part of what makes a good team, so 2023 was full of events that brought Tat Gida employees together, such as evaluations and ceremonies at different locations.

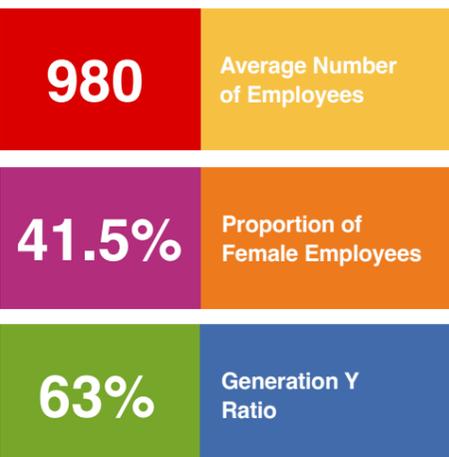
EQUAL OPPORTUNITIES AND DIVERSITY

Tat Gida evaluates its employees using objective criteria and processes with a management approach that eliminates all kinds of discrimination and prejudice. It works to offer equal opportunities to employees at all levels.

Tat Gida supports the "HeForShe" initiative aiming to create gender-sensitive work environments where women employees can find more training and development opportunities, advance their careers, and benefit from equal opportunities. In order to raise all employees' awareness of this, Tat organizes gender sensitivity training.

In 2023, the proportion of female employees at Tat Gida was 41.53%.

WE ARE STRONGER TOGETHER



The average seniority of Tat Gida employees is 8 years, and the average age is 38.

THE RIGHT TO UNIONIZE & OCCUPATIONAL HEALTH AND SAFETY

Tat Gida respects the right of employees to unionize. It aims to ensure the continuity of peace and tranquility at work by complying with the laws and collective bargaining requirements within the framework of the trust-based relationship established with trade unions and employees.

In order to increase internal communication and to share information about projects to be carried out in plants, to receive support, and to act together, regular weekly meetings continue with trade union representatives and business leaders.

Initiated in 2022, the OHS Cultural Transformation and Effective Leadership Project started to produce positive outputs in the field in 2023. With its motto, "Work Safely, TAT Safely", there was a 70% improvement in work related accidents, near-miss notifications increased 80%, and training hours increased 60%. The project was awarded with a special jury prize at the TISK Common Future competition in 2023.

Tat Gida considers the health and safety of its employees to be one of its most important values, and it applies an employee health and safety policy that complies with legal regulations and legislations and develops both its businesses and employees in this area.

HUMAN RIGHTS AND A FAIR WORK ENVIRONMENT

Tat Gida's approach to human resources centers on employees. The development programs offered under the roof

of the company, in-house trainings, social events, and benefits offer a work environment that makes employees feel happy and safe.

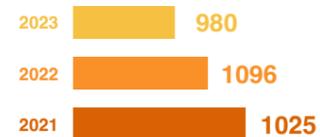
The Tat Gida Ethical Code of Conduct and Principles of Practice shape the company's personnel regulations.

While providing a safe and peaceful working environment to employees, the priority approach focuses on respect for fundamental human rights and continuous improvement. Tat Gida operates with a fair reward and talent management policy and gender equality between men and women, offering its employees a free space where they can develop themselves.

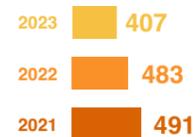
The human resources policy, which is against all kinds of discrimination, including but not limited to language, religion, race, and gender discrimination, prioritizes the protection of the rights of employees and contributes to the realization of the company's goals.

In addition, Tat Gida has adopted the UN Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. It follows and complies with policies regarding diversity, the prevention of discrimination, zero tolerance for child labor and forced labor, freedom of trade union associations and collective bargaining, health and safety, zero tolerance for harassment and violence, work hours and compensation, personal development, data privacy, and political activities.

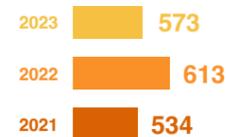
Average Total Number of Employees



Average Number of Female Employees



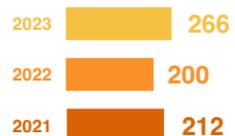
Average Number of Male Employees



End of December - Total Number of Employees



End of December - Number of Female Employees



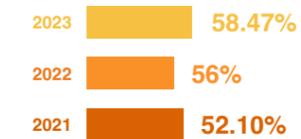
End of December - Number of Male Employees



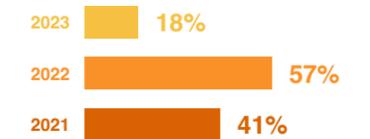
Female Employee Ratio (average number of employees)



Male Employee Ratio (average number of employees)



Ratio of newly hired female employees



Average Age (average number of employees)



Average Seniority (average number of employees)



Ratio of middle managers by gender - Female



New hires by gender - Female



New hires by gender - Male



Ratio of middle managers by gender - Male



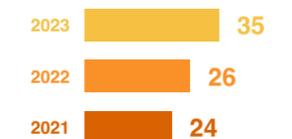
Ratio of senior managers by gender - Male



Ratio of senior managers by gender - Female



Long Term Interns



Promotion rates by gender - Female



Promotion rates by gender - Male



	2023	2022	2021
Employee Engagement Survey Participation Rate	96%	94%	96%
Total Training Hours	18,186	31,315.5	11,589
Office Employees Total Training Hours	13,674	8,219.5	11,234
Field Employees Total Training Hours	4,512	23,096	355
Union Representatives	81%	83%	77%
Employee Turnover Rate	25%	15%	7%

SOCIAL RIGHTS OF EMPLOYEES

Tat Gıda offers various side benefits to enhance employee experience and satisfaction and to improve the living standards of employees and their families.

Side Benefits Management

In addition to the benefits covered by the collective bargaining agreement, Tat Gıda employees receive other specific, diversified benefits, including Complementary Health Insurance, various social benefits, leave and gifts on special occasions, and performance-based bonuses for office employees. Managerial level employees receive additional benefits such as a company car and fuel allowance.

Flexible Side Benefit

The Flexible Side Benefit Program is a system of additional benefits and support that office employees can shape according to their needs (PPS, shopping vouchers with discounts, mobile phones, holiday vouchers, etc.) by changing or diversifying their side benefits such as annual leave, holidays, and fuel allowances.

Remote and Flexible Work

At Tat Gıda, office employees can take advantage of a flexible working model at specified hours to support their work-life balance. In addition, they can work from home or remotely on specified days thanks to our remote work model.

Tat Gıda operates with a fair reward and talent management policy and gender equality between men and women, offering its employees a free space where they can develop themselves.



Teşekkürün en büyüğü bizden size!

TAT Teşekkür Hareketi'ne sosyal medya yorumları ve teşekkür kartları ile katılan tüm çalışma arkadaşlarımıza teşekkürün en büyüğü bizden! 64 teşekkür ile Ramazan Savranlı'nın en çok teşekkür alan, Volkan Karamar'ın ise 44 teşekkür ile en çok teşekkür eden arkadaşımız olduğu TAT Teşekkür Hareketi'nin keyifli anları ve mesajlarınızla hazırladığımız videomuzu izlemek için [tıklayın!](#)



#hayatlaraTATkattık

Occupational Health and Safety

Tat Gıda implemented important projects and applications in 2022 to reinforce its occupational health and safety culture and ensure its sustainability, and in 2023, it expanded these efforts to take important steps in monitoring processes and results.

The basis for Tat Gıda's approach to occupational health and safety is to provide a safe work environment where employees can do their jobs and to minimize possible occupational health risks. Tat Gıda addresses the issue of occupational health and safety through a holistic approach and ensures that this integrated understanding is practiced in all its production plants and offices.

Tat Gıda manages occupational safety with a participatory approach, primarily through practices that involve the management team and all employees. It supports this approach with participation by senior management and employee representatives on Occupational Health and Safety Boards at all its locations. Tat Gıda works to raise awareness that Occupational Health and Safety is the responsibility of all employees. The company ensures sustainability by being an

organization where occupational safety specialists and medical teams working in all the plants can act in parallel with common, standardized policies and procedures.

OCCUPATIONAL HEALTH AND SAFETY CULTURAL TRANSFORMATION AND EFFECTIVE LEADERSHIP PROJECT

In 2022, Tat Gıda launched the "Occupational Health and Safety Cultural Transformation Project" at its Mustafakemalpaşa Factory with the goal of "increasing OHS culture and ensuring its sustainability". This was then expanded to its Karacabey and Torbalı plants. As part of the project, an executive board was established, consisting of top management representatives, production plant leaders, occupational health and safety experts, and union representatives. This board actively follows up on the project's work through regular monthly meetings.



The Occupational Health and Safety Cultural Transformation and Effective Leadership Project continued to work rigorously in 2023, in particular to strengthen awareness, especially among its field employees. As part of the project, all employees and the management team have individual goals they must fulfill. In addition, large amounts of data indicators are monitored throughout the company. Managers conduct Safety Patrol visits to make field observations. SMAT (OHS Audit and Training) applications have been implemented to support development in the field.

Under the Safety Patrol, a management team of experts inspects the occupational health and safety measures at different sites every 15 days with follow-ups on remedial actions determined during the inspections. SMAT inspections include field managers first supervising a field operation with a list of questions, then providing instant, on-site training through conversations with employees.

Tat has also implemented SOPs (Standard Operation Procedures) in order to standardize operations. Visual training content indicating which tasks should be performed and how, and family-themed visuals now hang in production areas to stimulate employee awareness. In addition, awards were given

All the work and improvements proceed under the motto, "Safe Work, Safe TAT", and resulted in a 63% decrease in accident frequency in 2023 compared to 2022, despite an increase in the number of employees.

for reporting near-miss accidents. More awards are planned on a wider scope with the goal of increasing employee awareness.

ACCIDENT FREQUENCY REDUCED BY 63%

All the work and improvements instituted as part of the Occupational Health and Safety Cultural Transformation Project proceed under the motto, "Safe Work, Safe TAT", and resulted in a 63% decrease in accident frequency in 2023 compared to 2022, despite an increase in the number of employees.

Tat Gıda provides every new employee with 12-hour Basic Occupational Health and Safety training. New employees also received training on job-specific risks and standard operating procedures, along with legal training. Field leaders attended business law seminars to raise their awareness and ensure that they understand their responsibilities. A total of 85 people received first aid training at Tat Gıda in 2023. In addition, Occupational Health and Safety Single-Point Courses (Toolbox Trainings) are provided to inform employees about OHS risks in the field. In 2023, a total of 598 (person/hours) toolbox trainings were provided.

Toolbox trainings are designed and provided by field leaders based on the needs identified as a result of risk analyses, safety patrols, SMATs, and Intenseye. Safety patrol and SMAT trainings were provided for management and employees. Occupational health and safety boards were restructured and participants received training. This year, evacuation and fire drills were carried out as well.

INTENSEYE PROJECT CONTINUES TO EXPAND

The Intenseye Project is an important project whose goal is to use cameras installed in the plants to monitor for unsafe behavior and instantly trigger alarms with the occupational

health and safety experts in charge of the field so they can take action to minimize unsafe behavior. It was launched as a pilot project in 2022 and, after obtaining efficient results, the decision was made to expand it in 2023. It continues to operate in the Mustafakemalpaşa Plant with 75 cameras.

According to the annual training plan, the health unit conducted a training campaign every month. Apart from on-the-job trainings, health training for female employees and training about field risks were given regularly at all 3 production plants. The health unit also provided scripted first aid exercises.

The health department performed two audits every month, one announced ahead of time, and one unannounced, that included hygiene inspections in the common social areas (dining hall, cafeteria, changing rooms, personnel WC, etc.) Any necessary remedial action and training repetitions were designed based on the results of the audit.

Tat Gıda also aims to increase knowledge and awareness of occupational health and safety issues with the subcontractor companies it works with. No cases of fatal occupational accidents or occupational diseases have ever occurred at Tat Gıda or its subcontracting companies, including 2023.

	2023	2022	2021
Occupational Illness Frequency (OIFR)	0	0	0
Lost Time Injury Frequency (LTIF)	44,06	30,93	18,22
Total Recordable Injury Frequency (TRIF)	86,53	48,71	18,22
OHS Training Hours (employee/hour)	19,252	27,994	28,043
Fatal Accidents	0	0	0



What We Share Society.

What We Share Society.



Tat Gıda has adopted the principle of “sharing its values, soil, and labor with all its stakeholders, making sure that all its products are convenient”. In addition, Tat seeks to enrich society in every region it operates in and to help them get ready for the future through development activities which the company continues without interruption.



Sustainable Agriculture with Farmers

R&D

Quality

Sustainable Agriculture with Farmers

Tat Gıda believes that for sustainable agriculture, farmers should be supported first. As part of this, Tat supports its farmers financially, while also working to develop digital agriculture and production projects to decrease costs.

Farmers cope with many problems every day while working to produce and provide safe food. Issues such as the shrinking amount of arable land, decreasing productivity, anomalies caused by the climate crisis, and increased risks of plant diseases and pests are all extremely important to both farmers and companies engaged in food production.

Farmers need sustainable agricultural policies and a wider use of agricultural technology to reduce costs and increase productivity, and to do this they need technology to be produced that supports them so they can share their knowledge and experience. Tat Gıda’s digital agriculture practices support the farmers it works with, with the aim of creating an environment in which many business partners who are leading the technological transformation of agriculture and food can cooperate easier thanks to new investments.

With its vision of sustainable agriculture, it aims to help farmers develop and communicate easier, particularly by making digitalization more widespread in tomato farming. Through its contract farming and digital agriculture projects, Tat Gıda enables farmers to produce more efficiently, while also providing financial aid which helps farmers continue their business.

56 YEARS OF CONTINUOUS CONTRACT FARMING

One of the first companies to implement "Contract Farming" in Türkiye, Tat Gıda has been practicing this uninterruptedly for 56 years to ensure the continuity of the ecosystem. It works with over 1000 farmers, about 500 of whom are contracted.

The basic working principle of this model is a contract between farmers and the industrial plants that process crops, according to a long-term projection of agricultural supply and

a win-win understanding. This model contributes significantly to the sustainability of agriculture in regions where these production plants are located. Farmers get support throughout the process with contracts made at sowing time before the tomato season, through in-kind and cash advance payments as well as digital agricultural information updates until harvest time. Tat Gıda supports farmers’ cash flow with advance payments, but also offers in-kind advances for seedlings, seeds, fertilizers, and drip irrigation systems.

In 2023, approximately TL 85 million was paid in cash advances and approximately TL 48 million was paid as in-kind advances.

IN-KIND AND CASH SUPPORT TO FARMERS

The "Agricultural Value Chain" project was launched so contract farmers can benefit from the financial resources of the company to create value and to maintain their financial sustainability. In this context, farmers obtain agricultural financing without waiting for their receivables to mature, without the need for limit procedures, without collateral, and at favorable market conditions. In addition, farmers were given Efficient Farmer Credit Cards that were interest-free and payment free until harvest time for the first time in 2022, providing farmers with financial flexibility so they could buy their agricultural inputs without predetermined conditions and collateral. 157 farmers received additional financing opportunities with this project, and advance payments were provided to farmers for seedlings, seeds, fertilizers, and drip irrigation systems.

In 2023, around 300 farmers received TL 4.3 million in support to meet their fuel needs with the Opet Farmers’ Card.

	In-kind	In cash	Total amount of aid	Total number of beneficiary farmers
2022	TL 41.5 million	TL 31.5 million	TL 73 million	417
2023	TL 48 million	TL 85 million	TL 133.3 million	476

R&D

The Tat Seeds R&D Center continues its holistic work approach, from 'field to table'. The R&D Center has completed many projects in various fields since its foundation on topics including sustainable agriculture, the food value chain, creating healthy, nutrient-rich meals, practical foods, and reducing waste and packaging.

The Tat Seeds R&D Center develops additive- and preservative-free, sustainable, tasty, environmentally-friendly, and innovative products to meet consumer expectations according to its 'field to fork' approach. In addition to conducting long-term scientific projects in line with company priorities to create new products, it also cooperates with universities and research institutions to develop various projects ranging from agriculture to green energy, and from raw materials to processing and innovative technologies that contribute to the consumer experience.

The R&D Center adheres to the company's vision to develop innovative products, strengthen its position in the future through its competitive product range, and take the lead in these activities with full responsibility. By understanding and predicting customer and consumer needs and expectations, the R&D Center directs and supports the company through its expertise in the main category of products (sauces, ready to serve foods, pickles, and tomato products, etc.) as well as its scientific projects on products, packaging, and processing. The R&D Center works to provide the company with competitive advantages by producing value-added products along the entire food chain based on its 'field to fork' motto.

It is made up of food engineers, chemical engineers, material engineers, metallurgy engineers, and food technicians, all of whom are experts in their fields. The team of 18 people consists of 14 engineers, 3 technicians, and 1 support personnel. The Center also offers university students opportunities for long-term internships and employment.

In recent years, the R&D Center has developed its network to transfer its national operations to international platforms. Growing in expertise, the R&D Center is continuously developing to support its formulation, packaging, and process development operations with technical trainings and practice. Since its foundation, the R&D Center has continued to improve

its competencies, successfully completing over 30 projects. The Center is currently running 11 projects, 3 of which are international.

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. Its priority has been to use innovative farming technologies, digitalization, and green energy in agriculture and the industry, in addition to create nutritious, practical products. Furthermore, the Center has put more energy into 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.

COLLABORATION WITH UNIVERSITIES

Since its foundation, the Tat R&D Center has always considered collaboration with universities to be very important, cooperating on projects in various fields from design processes and technologies to developing new products. The R&D Center collaborates with many universities including the Middle East Technical University, Ege University, and Uludağ University in Bursa. Collaborations with universities are carried out on various international and national grant-funded projects and self-funded projects. Some grant-funded projects include green energy, efficient water and land use, alternative proteins, and plant-based nutrition. In 2023, the industrial doctorate program was launched through TÜBİTAK (The Scientific and Technological Research Council of Türkiye) 2244. This program focuses on ready meals, healthy snacks, and acidified foods.

Joint works continue with public and private organizations and suppliers in areas that require expertise, such as new product development, process and new technology development, sustainable packaging, shelf life, and cooking techniques, and members of the team regularly attend innovation day

events and workshops. To develop new products, the team collaborates with expert chefs to create both innovative and traditional flavors customers will like. Tat Gıda is a platinum member of TÜGİP, the Food Innovation Platform of Türkiye, established by the TÜBİTAK MAM Food Institute to increase Türkiye's regional competitiveness in the food industry and contribute to R&D operations. The R&D Center continues to participate in workshops and trainings organized by TÜGİP.

In 2023, the Tat Seeds R&D Center focused on diversification projects to develop new products in the ready-to-eat food and sauce categories, resulting in the launches of new packaging for doypack ready meals, and stickpack sauces.

Furthermore, the international projects (SolarHub, PV4Plants and ProxiMed) and national projects (S-ATP and TÜBİTAK 2244) focusing on green energy and alternative proteins were officially launched. In 2024, the Center will focus on alternative proteins through the ProxiMed project, and they will also research green energy with the SolarHub, PV4Plants, and S-ATP projects.

R&D operations are supported by patent and utility model registration efforts to secure intellectual and industrial property rights. The Tat Gıda R&D Center is doing research on acidified foods with the goal of obtaining patents and/or utility model registrations.



18

Team members
(14 Female / 4 Male)

30

Completed
projects

3

international

11

ongoing
projects

FARMING AND GENERATING SOLAR ENERGY AT THE SAME TIME

The PV4 Plants project will make it possible to both farm a field and obtain solar energy from it at the same land. The project aims to increase land use efficiency, crop yields, and renewable energy production by enhancing the energy – agriculture synergy using Agri-PV technologies to improve the growing conditions of crops. The project system to be developed will be tested in Türkiye, Spain and Denmark to determine its compatibility with different climate conditions and crop varieties. 14 organizations, including 4 Turkish organizations, are participating in the PV4Plants project. Kalyon Güneş Teknolojileri Üretim A.Ş. is the coordinator of the consortium, and METU-GUNAM (the Center for Solar Energy Research and Applications), Yıldız Technical University and Tat Gıda A.Ş. are members as are 10 other partners from different countries.

It is made up of food engineers, chemical engineers, material engineers, metallurgy engineers, and food technicians, all of whom are experts in their fields. The team of 18 people consists of 14 engineers, 3 technicians, and 1 support personnel.

ALTERNATIVE PROTEIN FROM SUSTAINABLE SOURCES!

The ProxiMed project aims to promote the inclusion and use of alternative proteins obtained from sustainable sources in Mediterranean food and feed systems. The project plans to use alternative protein sources: mostly derived from plants, lentils and broad beans, but also the new Chia seeds in the Mediterranean region, microalgae defined as "new food", insects, mycoprotein, tomato and mallow leaves, common duckweed, and the agro-industrial by-products of tomato, sesame, and date pulp. This project will integrate novel and traditional protein sources in the Mediterranean region through innovative protein extraction and food processing, thus contributing to sustainable consumption while also meeting the needs of consumers and food companies. A total of 17 partners from 9 countries, including 3 from Türkiye, will work together in this project. Another Turkish partner to the project, in addition to Tat Gıda and METU, is Uluova Süt Ticaret A.Ş. The project also involves 14 other partners from abroad, including Hochschule Weihenstephan-Triesdorf, Deutsche Institut für Lebensmittel (DIL), the American University of Beirut, Assiut University, AINIA, Malta College of Arts and Sciences, and Technology University of Parma.

SOLARHUB WILL SUPPORT SUSTAINABLE AND SAFE FOOD PRODUCTION

The overarching objective of the SolarHub project is to strengthen the links between the solar innovation ecosystems in Türkiye and Greece to create a unified ecosystem of agricultural practices. In addition, the SolarHub project aims to increase the consortium's green innovation capacity to create 4 solar solutions to support sustainable and safe food production in the Mediterranean region. A total of 21 organizations are involved in the project, 11 of which are from Türkiye, including METU GÜNAM, (the Center for Solar Energy Research and Applications) (Coordinator), Ege University, the Middle East Technical University, Istanbul Technical University, International Solar Energy Society Türkiye Section, Kalyon Güneş Teknolojileri Üretim A.Ş., Solimpeks Enerji Sanayi ve Ticaret A.Ş., Tat Gıda Sanayi A.Ş., TÜBİTAK, Ankara Metropolitan Municipality, and the Ankara Gölbaşı Chamber of Agriculture.



Digital Transformation

In 2023, Tat Gıda continued its major digital transformation across the company in line with its ambitious targets and sustainability goals in Türkiye and global markets.

- The Company applied for an R&D Center to the Ministry of Industry and Technology with the goal of scientifically supporting its innovative and digital approach and to expand the scope of its projects while increasing their added value. The ministry approved the application and the Information Technologies R&D Center started its operations. Thanks to this development, which is the first on-site R&D center in the sector, Tat Gıda will continue to provide added value to itself and the sector through its digital projects.

- The "Digital Transformation in Production" program continued in 2023, launching many projects focused on digital performance management. These projects serve strategic initiatives as well as moving towards the goal of being included in the "Lighthouse" network adopting the metaphor of the polar star. A machine smartening project was initiated with goal of producing within reference value limits and improving operators' critical intervention times, estimated to result in €50K potential gain.

- In addition, infrastructure was installed for the Sauce Line Energy Cost Mapping Project to create data-driven, sustainable energy management processes. In phase 1 of the project, an average reduction of 30% was observed in conveyor energy consumption.

- To ensure both quality and occupational health and safety, image processing and artificial intelligence algorithms were used to detect personal protective equipment violations on all lines of the plant, resulting in a 10-fold increase in unsafe behavior detection.

- Vehicle assignments for shipments from warehouses and production plants to customers in Türkiye were made through a platform instead of manually. This optimization allowed access

to shipment histories, instant status querying, and online delivery details, as well as end-to-end traceability. The system also allows for corrective and preventive actions.

- A maintenance management system was launched to increase business continuity by reducing unexpected downtime and equipment failures in production plants.

- A KPI Pyramid system was launched to raise awareness of severe risks, and take preventive action through proactive risk and performance management. The system also displays instant performance indicators.

- A demand forecasting system was launched, supported by machine learning that continuously develops and self-improves, increasing proactive planning capabilities through monthly S&OP cycles.

- Tat Gıda revamped its corporate website with a more innovative design and sustainability perspective.

- The cloud-based "Tat Support" platform was launched for IT services with the goal of providing users with optimum solutions in the shortest time. The user-friendly interface can be accessed via e-mail, teams, and web interface.

- The SAP system was upgraded, preventing the risk of operational and financial losses possible with the previous version.

- The file sharing platform was moved from the traditional file server format to a cloud-based collaborative file sharing platform, which democratizes access to information with its advantage of accessibility from anywhere as well as backup and data security.

- With its mission to deliver more value to customers and business partners, Tat Gıda created a data repository in the cloud to build a future with data and make sustainable analytical inferences. Also, an integration platform was established allowing the transfer of approximately 1M rows of data daily, reducing integration development time from an average of 6 weeks to 1 week.

The ministry approved the application and the Information Technologies R&D Center started its operations.



Quality

For Tat Gıda, the year 2023 marked the beginning of an important transformation process in line with its customer-centered quality approach. In 2024, the Company plans to grow and develop its business even further, by investing more in R&D activities to expand the company's product range, to add new certifications, to increase sustainability practices, and to further increase operational efficiency.

Tat Gıda has been producing with no compromise on quality or hygiene standards since the day it was founded, and it believes that quality products are possible only with quality input and processes, and manages quality 'from field to fork'. In this context, from its tomatoes to its packaging, Tat Gıda uses only the highest quality inputs and raw materials that Tat Gıda engineers using state-of-the-art equipment convert into products.

Tat Gıda focused on these main areas in 2023:

- Customer-centered quality management under the slogan "Loving the Customers"
- Developing process quality assurances
- Developing in line with global food safety principles
- Cultural and Organizational Development

CUSTOMER-CENTERED QUALITY MANAGEMENT UNDER THE SLOGAN "LOVING THE CUSTOMERS"

Tat Gıda's priorities have always been to sincerely listen to its customers, to meet their needs and demands, to seek their well-being, to create long-term customer loyalty, and to make quality and safe food production a part of its culture.

The international reputation of a business is an important indicator of customer trust in the brand. The Company prioritizes customer satisfaction, and continues to meet their needs on a global scale, thereby expanding its international customer portfolio while strengthening its existing customer relations.

For Tat Gıda, the year 2023 marked the beginning of an important transformation process in line with its customer-centered quality approach, starting with the Company restructuring its customer satisfaction management system and organization. The Company made improvements in its customer feedback system, and invested in technical

infrastructure and human resources to better understand customer expectations and meet their demands faster.

The new Echoccs call center went online in June 2023. Starting with its slogan 'Loving the Customers' Tat Gıda set out to design an experience to meet customer expectations that befits the leaders of the Food Sector and FMCG operations.

Meetings started with sales teams with the goal of listening to customers' voices, receive and evaluate their feedback and expectations, and find ways to improve.

Tat Gıda communicates with customers an average of 1,600 times a month, and responds to customer feedback within an average of 1.5 business days at a rate of 99%. Approximately 70% of the responses use voice channels and 30% use chat channels.

DEVELOPING PROCESS QUALITY ASSURANCES

In 2024, the Company plans to grow and develop its business even further by investing more in R&D activities to expand the company's product range, to add new certifications, to increase sustainability practices, and to further increase operational efficiency. In addition to strengthening its presence in existing markets, Tat Gıda has also has taken strategic steps to expand into new markets and increase its global presence. Innovative products and its customer-centered approach have enabled the Company to compete effectively in the global market.

In 2023, it also implemented many projects centered on employees. Tat Gıda initiated its Food Safety Culture awareness and cultural transformation program and completed one-on-one meetings with field staff through culture plan actions and single point lessons.



In the Cross Border project, production of glass packaged boiled products started in Portugal. The quality approach to operations has been maintained in these cross-border production facilities and related processes have been developed. Tat Gıda took actions to improve Quality Control and Standardization processes, and to expand the scope and increase the speed of traceability. The Company's "Process Optimization Project," reviewed and documented processes end-to-end across businesses, defined roles and responsibilities, assessed risks and opportunities for improvement, and identified its focal points to center on international sales operations.

CULTURAL AND ORGANIZATIONAL DEVELOPMENT

In 2023, Tat Gıda focused on maximizing its quality competencies. First, to support its export growth strategy, the Company expanded and restructured its quality assurance directorate, supply quality directorate, regulatory process management, and quality systems directorate. Roles and responsibilities in the quality management organization have been redefined to meet the requirements of global quality and

food safety standards. A supplier selection and evaluation program has been launched to ensure the supply of safe and reliable materials to the entire supply chain. The Supply Quality Directorate evaluated the management of procurement and subcontracting processes and updated the Supplier Food Safety standards.

The Purchasing and Supply Chain Directorate established strategic collaborations with all input suppliers as part of the new supplier program. Specifications were reviewed and updated to ensure both improvement and cost advantages for all inputs. The Company's Supplier Food Safety Standards were revised in line with global food safety requirements, and collaborations were made with independent auditors to follow up on the suppliers of raw materials and supplier risk assessments.

Tat Gıda achieved significant growth in exports in the period under review. It focused on compliance with the regulations and standards of the countries it exports to, as well as their national legislations, and earned the certifications required

for exporting in order to meet demands faster. The Legal Regulations and Quality Assurance Units were reorganized to monitor food safety, legal compliance, and legislation of export countries.

DEVELOPING IN LINE WITH GLOBAL FOOD SAFETY PRINCIPLES

Board meetings were held with the Food Safety Team in all locations to ensure food safety in the plants.

These food safety meetings focused on evaluating customer and consumer feedback weekly, taking corrective/improvement actions related to food safety, reviewing quality cases, managing unsuitable and potentially unsafe materials and products, ensuring good manufacturing practices (GMP) findings and actions to be taken, food safety expectations, information about packaging changes (new packages, new suppliers, material specification changes) and raw material changes (new materials, new suppliers, material specification changes), process changes and actions to take, formula/end-product specification changes and actions to take, HACCP Plan and Hazard Analysis changes, risk assessment and approval of new products, suppliers, materials and raw materials and planning the necessary actions, choosing or changing cleaning/Cleaning-in-Place (CIP) methods and products, effects of legal amendments on processes, internal and external audit preparations and planning (system, client, internal audits), planning food safety trainings as needed, and evaluating all other issues that might pose a Food Safety Hazard and Risk, in addition to checking all the relevant actions.

A project has been initiated to update Process Flow Charts, Hazard Analyses, and Risk Assessment and HACCP practices. All hazards were reviewed and assessed, and sources of contamination were identified.

Operational Pre-requisite Program Plans, Hazard Analyses, and Risk Assessments were simplified. For all factories, 93 HACCP plans were reduced to 11 HACCP Plans and BRCGS and IFS Standards were updated. Changes were made to the Pre-requisite Programs and quality plans were simplified. Policies were reviewed and evaluated to ensure compliance

with Global Food Safety Standards. Company Vision, Mission, Policies, Targets, Food Safety and Quality Policy were reviewed and updated. Quality Management Systems Handbooks were updated according to BRCGS and IFS Standards.

Food Defense work was initiated in 3 plants. With the approval of senior management, Food Defense Team Coordinators were appointed to the Food Defense Workshop, and work plans were developed for the Food Defense Team, which includes a senior management representative. The team members were assigned tasks in writing, and their job descriptions were revised to reflect their new roles. To ensure compliance with the Good Manufacturing Practices (GMP) and internationally recognized quality standards, their work is overseen by a weekly audit and follow-up program. The successful results of these audits played an important role in gaining the trust of customers and strengthening the company's position in international competition.

The GFSI Food Safety Culture guide was introduced to establish a global standard food safety culture throughout the Tat organization. To create a culture of food safety, an initial survey and culture action plan was prepared. The Food Safety Culture Survey was shared with employees and Quality Boards were designed for communication.

CONTINUOUS IMPROVEMENT MODEL AT TAT GIDA!

Tat Gıda has adopted the continuous improvement approach as its way of doing business, carrying out continuous improvement efforts using the Operational Excellence methodology, which ensures increased value for customers and is based on the efficient use of resources. Together with a methodology called the Tat Excellence System, it supports cost-effective leadership particularly with special participation of field employees to achieve the goal of equipment excellence. Another important component of value leadership in production, the Lean Six Sigma methodology improves work processes by continuously addressing difficult engineering problems with help from engineer employees.

In 2023, Tat Gıda implemented 60 major projects in its plants in 3 Project Period cycles and is turning TL 60 million into continuous improvement gains. With the participation of field employees, the Company increased its efficiency with 300+ before/after kaizen trainings and 500+ suggestions. In 2018, it held the 6th Wave of the Lean Six Sigma program launched with a focus on technical development. Each participant received 120+ hours of training, as well as 25+ hours of coaching as part of application projects. 12 new green belts were awarded in the first half of 2023.

NATIONALLY AND INTERNATIONALLY CERTIFIED PLANTS

The Tat Gıda Karacabey Plant earned the Sedex Smeta 4 Pillar/Sedex Certification granted by SGS, the "Japanese Agriculture Standard (JAS)", FDA (Food and Drug Administration) Certificate and the Kosher Certificate, and the Mustafakemalpaşa Plant earned the "Organic Agriculture Plant Certificate".

Our Mustafakemalpaşa Plant renewed its certificates for BSCI (Business Social Compliance Initiative), ISO 9001: Quality Management System, ISO 14001: Environmental Management System, and ISO 50001: Energy Management Systems without any nonconformities. All 3 of our plants successfully completed the Unannounced BRCGS and IFS Food Safety Management Systems Integrated Audits conducted by Rina Certification and renewed their certificates.

The Mustafakemalpaşa Plant successfully completed the McDonald's - Supplier Quality Management System (SQMS) Audit conducted by AIB International. The McDonalds SWA (Supplier Workplace Accountability) audit was also successfully passed. Similarly, food safety audits by Migros, Amazon, Kagome, Wünche, Marks&Spencer, Lupp Foods, IKEA-IWAY, Plantsas, Lidl and Kagome were passed successfully.

Tat Gıda received 14 new product approvals and FDA Certificates from the U.S. FDA (Food and Drug Administration).



Corporate Governance

- 88 Corporate Governance Disclosures
- 95 Risk Management and Internal Audit
- 97 Legal Disclosures
- 99 Corporate Governance Information Form
- 105 Corporate Governance Compliance Report
- 112 Declaration of Compliance with Sustainability Principles
- 114 Sustainability Principles Compliance Report
- 124 Statement of Responsibility for Financial Statements
- 125 Statement of Responsibility for Annual Report
- 126 Independency Declaration

Corporate Governance Disclosures

CHAPTER I

Statement of Compliance with the Corporate Governance Principles

In accordance with how important our Company considers compliance with the "Corporate Governance Principles" enacted by the Capital Markets Board ("CMB"), we fully complied with all the obligatory principles enforced by Corporate Governance Communique (the Communique) No. II-17.1 in 2022, and we also complied with a majority of the nonobligatory principles. Our goal is to comply fully with the nonobligatory Corporate Governance Principles, and we are putting maximum effort towards this end.

We have not yet 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 our country and internationally, and the mismatch of some principles with the structure of our Company and the market. We continue to work on the principles that have not yet been applied, and following analyses of the administrative, legal, and technical infrastructure of our Company, we will consider applying them to contribute to our 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 our Company's Corporate Governance Rating to 9.60 (96.02%) on December 28, 2023.

The report issued by SAHA regarding our Corporate Governance Rating is attached for further information; which is

Sub-categories	December 2023	December 2022
Shareholders	95.79	95.85
Public Disclosure and Transparency	98.05	97.37
Stakeholders	99.51	98.13
Board of Directors	93.23	92.29
Corporate Governance Compliance Rating Note	96.02	95.32

disclosed on our Company's website www.tatgida.com. The breakdown of our company's Corporate Governance Rating by sub-categories is provided in the table below.

In accordance with regulations, the main nonobligatory Corporate Governance Principles that we have not yet fully complied with are below and additional explanations are provided in the relevant parts of the annual report.

- Pertaining to principle number 1.3.10, the general assembly includes a special agenda item for donations and the general assembly document explains the details of the highest donation amount. The remaining amount for which the details were not provided, includes donations to various parties each below 50.000 TL, which were not deemed as material information to our shareholders. Our investors do not follow the donations lower than this amount, and in the upcoming years, statements will continue to be provided with a lower limit that will be determined according to conditions.

- Pertaining to principle number 1.5.2, minority rights are not granted to shareholders who own less than one twentieth of the capital as per the articles of association. In parallel with general practices, minority shareholders are granted rights within the framework of the general provisions in the regulations.

- Pertaining to principle number 4.4.1, there was limited opportunity to hold physical board of directors meetings in 2022 due to the Covid-19 pandemic. In 2022, five physical meetings were held. Other than the decisions made at the said meetings, all board decisions were made by informing members beforehand and hand delivering the necessary documents.

- Pertaining to principle number 4.4.2, there are not any set procedures, but when, information is to be presented to board members, they will be notified and briefed beforehand our Company's corporate governance page on the Public according to the agenda. Currently, there is no plan to prepare an internal regulation on this issue.

- Pertaining to principle number 4.4.5, our Company has held its board meetings consistently for many years, but there is no written internal regulation pertaining to this. Currently, there is no plan to prepare an internal regulation on this issue.

- Pertaining to principle number 4.4.7, Board of Directors members make significant contributions to the board due to their business and experience in the sector, so members are not restricted from assuming other duties outside the company. Our annual report includes the curriculum vital of our board members. Considering how effectively board members work, no changes are foreseen in the short term, as there is no negative impact on corporate governance.

- Pertaining to principle 4.5.5, we form committees based on board members' knowledge and experience in accordance with the relevant regulations. Some board members are assigned to multiple committees, and these members supplement communication between related committees and increase collaboration opportunities. Considering that the number of board members is 9 and the number of committees required to be formed in accordance with the CMB regulations, compliance with the principle does not seem feasible in practice. Considering how well these committees work and take advantage of board members' knowledge and experience, no changes to the committee structure are foreseen in the near future.

- Pertaining to principle number 4.6.5, we publicly announce the payments made to our board members and administrative managers at our Ordinary General Assembly meetings and in financial statement footnotes in parallel with general practices. This issue is important in terms of the confidentiality of personal information, but we closely follow market practices and will continue to act in parallel with common practices.

Our Company is subject to no conflicts of interest due to any failure to comply fully with the nonobligatory principles.

The 2023 Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) prepared in accordance with decision no. 2/49 of the CMB on 10.01.2019 and approved by our Company's Board of Directors are attached as an annex to the annual report (pages 93-105). These documents are also accessible on

our Company's corporate governance page on the Public Disclosure Platform: <https://www.kap.org.tr/sirket-bilgileri/ozet/1091-tat-gida-sanayi-a-s>

CHAPTER II

Shareholders

2.1. Investor Relations

A unit established under the Office of the Vice General Manager of Finance and Accounting is responsible for managing relations with the shareholders of Tat Gıda Sanayi A.Ş. The Investor Relations Unit prepared the Investor Relations Report, which was approved by the Corporate Governance Committee on 20.02.2023 and presented to the Board of Directors. Contact details for the Investor Relations Unit are below:

Başak TEKİN ÖZDEN
basak.tekin@tat.com.tr

Banu ÇAMLITEPE*
banu.camlitepe@tat.com.tr / Capital Market Activities License Level 3; Corporate Governance Rating License

Sertaç SEMİZ
sertac.semiz@tat.com.tr / Capital Market Activities License Level 3; Corporate Governance Rating License

Hikmet İN
hikmet.in@tat.com.tr

Telephone: 0216 430 00 00
Fax: 0216 430 80 15

2.2. Use of Shareholders' Right to Obtain Information

Shareholders are free to exercise their right to obtain and analyze information without discrimination, and all information other than trade secrets are shared with shareholders. All questions referred to the Investor Relations Unit are responded to in writing or via phone with all existing information after consulting with the highest authority in the relevant field outside of confidential information and trade secrets. As explained in chapter 3.1 of this report, the corporate website also includes all information and details that might affect the use of shareholding rights.

*Reserved on February 15, 2024.

2.3. General Shareholders' Meetings

The Ordinary General Shareholders' Meeting was held on March 20, 2023. The General Shareholders' Meeting Minutes are available on our website and at the Electronic General Shareholders' Meeting portal of the Central Registry Agency. In addition, shareholders can analyze these minutes at the headquarters on demand. At the ordinary general assembly meeting held in 2023, information was given about donations and grants made in 2022 with a separate agenda item in the general assembly, and the proposal that the upper limit of donations to be made in 2023 would be 0.4% (four per thousand) of the previous year's revenue was voted on and passed. There was no change in the Articles of Association during the period. In addition, in line with the Corporate Governance Communiqué of the Capital Markets Board, some of the shareholders holding the management control, members of the board of directors, managers with administrative responsibility, and some of their spouses and relatives by blood and affinity up to the second degree, some other Koç Group companies, including those with similar activities to the Company. In 2023, there were no significant transactions leading to conflicts of interest between said individuals and publicly traded companies or affiliates in accordance with principle number 1.3.6 of the Corporate Governance Communiqué.

2.4. Voting Rights

Our articles of association contain no provisions regarding the use of voting rights in our company.

2.5. Minority Rights

Although our Articles of Association contain no provision regarding minority rights, we comply with the Turkish Commercial Code and the Capital Market Boards regulations on this subject. In 2023, we did not receive any criticism or complaint regarding this issue.

2.6. Dividend Rights

Our Company has no provision for the distribution of profit. Our Company's profit distribution policy is disclosed to the public and announced to partners at the General Shareholders' Meeting. It is applied in accordance with Article 19 of the Articles of Association titled "Determination and Distribution of Profits", which states that the Board of Directors can distribute advance dividends provided that they are authorized by the

General Shareholders' Meeting, and that they abide by CMB Law and its relevant regulations. This authority granted to the Board of Directors by the General Shareholders' Meeting is limited to the year in which it is given. On 20.03.2023, we announced our Profit Distribution Policy for 2023 to our partners at our General Assembly Meeting. A minimum of 20% of the distributable profit (calculated according to the Capital Markets Board's communiques) in cash and/or bonus would be shared as long as the relevant regulations and financial possibilities allow and our sources suffice, in accordance with our Company's long-term strategies, investment and financing policies, profitability and cash status. According to the decision taken at the Ordinary General Assembly meeting held on 20 March 2023, the Company allocated extraordinary reserves from the net profit for the year 2023, amounting to TRY 295,262,469 and, no dividends were distributed in 2023.

2.7. Transfer of Shares

Our Articles of Association contain no practices that make it difficult for or restrict shareholders from freely transferring their shares. Capital Markets Board regulations apply for the transfer of registered Company shares traded on the stock exchange.

CHAPTER III

Public Disclosure and Transparency

3.1. The Corporate Website and its Content

We actively use our Company's website (<http://www.tatgida.com.tr>) to inform the public. Our website provides information about current and past company status in both Turkish and English. In addition, there is a special investor relations section on the website to provide more comprehensive information to existing and potential investors as well as intermediaries. Our website presents investors with the information stipulated in the CMB Corporate Governance Principles.

3.2. Annual Report

Our Company's annual report provides the public with full, complete details about company activities in compliance with the provisions in the regulation.

CHAPTER IV

Stakeholders

4.1. Informing Stakeholders

Stakeholders are invited to meetings to discuss interests that concern them in the company using telecommunication tools. The Audit Committee oversees and finalizes complaints about Company accounting, reporting, internal control systems, and independent audit processes. It evaluates Company notifications to employees regarding accounting, reporting, internal control, and independent audit processes in accordance with the principle of confidentiality.

4.2. Stakeholder Participation in Management

The participation of the stakeholders in the management, the opinions, and suggestions they convey to the relevant units are taken into consideration by the management of our company to the extent that they coincide with our long-term strategies. We seek the opinions of and come to a consensus with the labor union regarding work conditions, the work environment, and employee rights, making decisions together.

Tat aims to ensure the continuity of work peace and tranquility by complying with the laws and collective agreement requirements within the framework of the trust-based relationship established with the union and employees. Although our Articles of Association and regulations have no provisions for employee participation in management, both union members and non-members are active in our company's management through various methods. For this purpose, regular weekly meetings were held with union representatives and business leaders in order to increase internal communication, share information about the projects to be carried out in production plants, receive support and act jointly.

Employee engagement surveys measure employee engagement every year. The most important goal in this process is to carry out focused studies by continually getting feedback from our employees. To this end, department-specific workshops were held in 2023 based on feedback from field and office employees, during which action plans were formulated and meticulously monitored. All management team members were assigned actions in the OKR (Objective Key Results) system.

At our company, regular 'Bizbize' meetings are held to convey the opinions of employees. Additionally, monthly informative bulletins are shared with employees to regularly communicate important topics across the company.

Our Company also holds annual meetings with clients and suppliers to exchange opinions, which we benefit from and use to improve client and supplier satisfaction.

4.3. The Company's Human Resources Policy

As part of our Ethical Principles and Human Resources Policy, we identified our criteria for recruitment and our mechanism for promotion in writing. Our Human Resources processes:

- By providing equal opportunities in appointments, promotions, rotations, and rewards, we seek to increase our employees' loyalty to the company.
- All our employees are offered equal opportunities for training, orientation, and development.
- We create a transparent work environment that encourages mutual respect, where cooperation and solidarity are the most important factors.
- We provide our employees with clean, healthy, and safe work conditions.
- We respect our employees' rights to unionize and collectively bargain.
- We do not allow any form of violence or harassment.
- We do not tolerate child labor, slavery, human trafficking, or forced labor.

By adhering to these principles, we are continuously improving the skills of our human resources in order to maintain our superiority in the competitive global environment. For this purpose, we clearly define the operating procedures of our human resources systems and announce them to all employees.

The Human Resources Department communicates with all employees regarding Human Resources Strategies and Policies.

Tat Gıda respects our employees' right to unionize. The 27th Collective Agreement signed by our Company and the Tekgıda Labor Union on 10.03.2023, was applicable from 01.01.2023 to 31.12.2024. Summary information regarding the contract has

been announced via our Special Disclosure Statement dated April 10, 2023, through the Public Disclosure Platform (www.kap.org.tr) and on the Tat Gıda corporate website.

Regarding the issues raised by the employees through the Koç Group Ethics hotline are regularly evaluated and actions are taken.

4.4. Ethical Rules and Social Responsibility

Ethical Principles and Compliance Policies are followed in our company with a written standard. "Ethical Principles" and "Human Rights Policy" are signed by all our employees and their commitments are taken.

Our company complies with all environmental legislations and regulations and seeks continuous improvement of its environmental performance in production, where it takes the measures necessary to reduce natural resource use and waste production, and to constantly monitor and protect air, water, and soil properties. Improvements to minimize solid, liquid, and gas wastes and prevent pollution at the source to remain below legal limits are being carried out continuously. In addition, employees are given training to raise their awareness about the environment.

CHAPTER V

Board of Directors

5.1. Structure and Organization of the Board of Directors

The Board of Directors defines the Company's objectives, oversees compliance of company activities with legislation, the Articles of Association, and established policies, and monitors management's performance, taking into account its long-term interests. Our Company's Board of Directors is structured in accordance with provisions from the 11th, 12th and 13th Articles of Association.

Tat Gıda Sanayi A.Ş.' Assistant General Manager in charge of Finance and Accounting is assigned to determine the agenda of Tat Gıda's Board of Directors meetings, to prepare Board of Directors resolutions pursuant to the provisions of Turkish Commercial Code article 390, and to inform and communicate with Board Members. The Board of Directors meets in person as required by Company business in accordance with the Turkish Commercial Code and the relevant articles of our

Articles of Association. In addition, when necessary, it makes decisions by the method of circulation in accordance with paragraph 4 of article 390 of the Turkish Commercial Code. A total of 21 board decisions were taken in 2023. The Corporate Governance Committee fulfils the duties of the Nomination Committee in our Company.

Three independent member candidates were submitted to the Corporate Governance Committee for 2023. The Corporate Governance Committee's meeting on 16.02.2023 and the Board of Directors' meeting on 17.02.2023 evaluated their nomination statements and resumes and made the decision to appoint them as independent member candidates. All Independent Members of the Board of Directors submitted independence statements to the Corporate Governance Committee.

5.2. Principles of Board of Directors' Activities

The Board of Directors of our Company conducts its activities in a transparent, accountable, fair, and responsible manner. The powers and responsibilities of Board of Directors members are set out in the company's Articles of Association, and authorization powers are specified in detail on the company's authorized signatures list. Their reports and meetings question and evaluate risks in detail. The Risk Management Committee tracks risks that our Company is exposed to and informs the Board of Directors about them.

5.3. The Number, Organizational Structure, and Independence of the Committees Formed within the Body of the Board of Directors

The only committees in our company are the Audit Committee, the Corporate Governance Committee, and the Risk Management Committee. In accordance with the relevant communique, the entire Audit Committee is comprised of independent members, and the Chairmen of the Corporate Governance Committee and the Risk Management Committee were selected from independent members of the Board of Directors. No Executive Board Member or General Manager holds a position on a committee. Committees determine their working principles and publish them on the company's website. If committees deem it necessary according to their working principles, they can call relevant managers to meetings, and they can consult outside services or independent expert opinions when necessary.

Name & Surname of Board Member	Independence Status	Date of Appointment	Tenure	Duties on the Board of Directors and Committees	Duties outside the Company
Semahat S. Arsel	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Chairman of the Board of Directors	In-group - Chairman/ Member of the Board of Directors
Rahmi M. Koç	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Deputy Chairman of the Board of Directors	In-group - Chairman/ Member of the Board of Directors
Ömer M. Koç	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Board Member	In-group - Chairman/ Member of the Board of Directors
Ali Y. Koç	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Board Member	In-group - Chairman/ Member of the Board of Directors
Caroline N. Koç	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Board Member, Member of the Risk Management Committee	In-group - Chairman/ Member of the Board of Directors
Takashi Hashimoto	Non-Independent Member	20.03.2023	Until the Ordinary General Assembly	Board Member	Outside the group - Kagome Co. Ltd Board Member and Senior Managing Executive Officer
F. Füsün Akkal Bozok	Independent Member	20.03.2023	Until the Ordinary General Assembly	Independent Board Member, Member of the Audit and Corporate Governance Committees	In-group – Ford Otomotiv Sanayi A.Ş. Independent Board Member
M. Sait Tosyalı	Independent Member	20.03.2023	Until the Ordinary General Assembly	Independent Board Member, Member of the Audit and Risk Management Committees	Outside the group – General Director of the Turkish Education Volunteers Foundation
Neslihan Tonbul	Independent Member	20.03.2023	Until the Ordinary General Assembly	Independent Board Member	Outside the group - Petkim Inc., Alarko Holding Inc., Vakıfbank International Board Member In-group –Tofaş Turkish Automobile Factory Inc. Independent Board Member

Our Company's Board of Directors decided on March 22, 2023 that the Audit Committee be constituted by independent Members of the Board of Directors in entirety and that Fatma Füsün Akkal Bozok be elected as the chairperson and M. Sait Tosyalı be elected as the member; Fatma Füsün Akkal Bozok, an Independent Member of the Board of Directors, be elected as the chairperson for the Corporate Governance Committee, and Neslihan Tonbul and Başak Tekin Özden be elected as the members; M. Sait Tosyalı, an Independent Member of the Board of Directors, be elected as the chairman of the Risk Management Committee, and Caroline Nicole Koç be elected as the member.

In 2023, the Audit Committee conducted the activities of examining the quarterly and annual financial reports for 2023, selecting the independent audit company, and held 6 meetings in total. The Corporate Governance Committee held 4 meetings in 2023; carried out activities on the determination

of independent member candidates for 2023, the discussion of the Board of Directors' Diversity Policy, the evaluation of the Corporate Governance Compliance Report and the Investor Relations Department report, the remuneration of the members of the Board of Directors and senior executives for 2023, and the evaluation of the structure and efficiency of the Board of Directors. The Risk Management Committee held 8 meetings in 2023 and carried out its activities related to the Risk Report that is included in the Annual Report and the evaluation of the Company's risk management systems, and the studies on corporate risk management carried out throughout the year.

The revised working principles of the committees disclosed to public and published on our Company's website.

5.4. Risk Management and the Internal Control Mechanism

As per the provisions of Turkish Commercial Code No. 6102 and the Capital Markets Board's Corporate Governance

Guidelines, the Risk Management Committee was established to offer advice and suggestions to the Board of Directors with the aim of detecting risk early and building an efficient risk management system. The committee consists of two members, one of which is independent. The purpose of the Risk Management Committee is the early detection of all kinds of strategic, operational, financial, legal and other risks that may endanger the existence, development and continuation of the company. It includes the evaluation and calculation of possible consequences, management and reporting of these risks in accordance with the company's corporate risk-taking profile, implementing the necessary measures related to the identified risks, taking them into account in decision-making mechanisms, creating effective internal control systems, and making suggestions to the Board of Directors on integration issues. The Committee meets as often as is required by its task.

The Audit Committee serves to disclose to the public the functions of the accounting and reporting systems as per relevant laws and regulations, provides financial information, and supervises the functioning and effectiveness of the independent audit and internal control system. This Committee convenes at least four times a year and once every three months, and presents the minutes of these meetings to the Board of Directors. The Committee immediately notifies the Board of Directors in writing of the findings and suggestions it has reached regarding its field of duty and responsibility.

5.5. Strategic Objectives of the Company

Our senior management drafted the mission, vision, and values of the company with full knowledge by the Board of Directors, and publishes them in the annual report and on the website. They are revised and renewed as developments occur. The senior management informs the Board of Directors about the work of relevant units in implementing the company's strategic goals. Board meetings monitor the company's targets and activities periodically and compare them with previous performances. In addition, members evaluate the current state of the company and develop new goals and strategies as necessary.

5.6. Financial Rights

Our Company's "Remuneration Policy for Board Members and Senior Executives" regulating the principles of remuneration

and the criteria used to determine all kinds of rights, benefits, and fees granted to board members and senior managers, was first presented to our partners on our corporate website in the "Information Document" published three weeks before the general assembly meeting on 25.03.2014. This policy was enacted after the said general assembly meeting. The policy is open to public disclosure on the Company's website and the annual report. It will also be included on the agenda of the ordinary general assembly meeting for the opinion and approval of the shareholders. The Corporate Governance Committee and the Board of Directors annually evaluate the total amount of payments made within the framework of the Remuneration Policy to Members of the Board of Directors and Senior Executives. In our financial statement footnotes, payments made to Board Members and senior managers are disclosed to the public collectively in parallel with general practices.

No transactions have been made that would lead to a conflict of interest, such as lending to members of the Board of Directors or managers of the Company or providing loans or guarantees in their favor.

Risk Management and Internal Audit

A. CAPITAL RISK MANAGEMENT

The company aims to maximize its profits by maintaining an optimal debt to equity balance in an effort to sustain operational continuity.

The capital structure of the company comprises of its debts including loans and its equity items including, in order of importance, cash and cash equivalents, issued capital and reserves as well as prior period retained earnings.

The company's objective in managing its capital centers around sustaining the optimum capital structure that provides returns to shareholders and reduces its cost of capital simultaneously, ensuring the continuity of company's operations.

B. FINANCIAL RISK MANAGEMENT

The company is exposed to market risks, credit risks and liquidity risks given its operational activities. The Risk Management Program of the company focuses on the minimization of potential adverse effects of the uncertainties in the market in general and on the company's performance.

Risk management is overseen by the Risk Management Committee in line with the policies approved by the Board of Directors.

Information on the Early Detection of Risk as well as the Work and Reports of the Risk Management Committee

Taking into account the provisions stipulated by Turkish Commercial Code No. 6102 and the Capital Markets Board's Corporate Governance Principles, the Board of Directors of our company resolved to form a Risk Management Committee in its meeting held on July 25, 2012, to help provide the Board of Directors with the recommendations and suggestions it needed to ensure early detection of risk and to establish an effective risk management system.

In its meeting held on April 26, 2022, the Board of Directors appointed M. Sait Tosyalı, an Independent Member of the Board of Directors, to chair the committee, and Caroline Nicole Koç, member of the Board of Directors, as a member.

The objective of the Risk Management Committee is to ensure the early detection, assessment and calculation of the effects and possibilities of risks of any kind, be it strategic, operational, financial, legal or otherwise that could threaten the company's existence, development or continuity; managing and reporting these risks in accordance with the institutional risk-taking profile of the company; implementing the necessary measures to counter the risks detected; taking such risks into consideration in the decision making processes, and forming and integrating effective internal control systems to address such issues and providing recommendations and suggestions to the Board of Directors in that regard. The Committee convened seven times throughout the operating year, and the meeting results are submitted to the Board of Directors in the form of the minutes of the meeting.

Forward-looking Risks Involving Sales, Productivity, Revenue Generation Capacity, Profitability, and Similar Topics

The Company takes necessary actions to minimize the credit, market and liquidity risks that it is exposed to as part of its risk management policy. The Company signs seasonal contracts for the supply of tomatoes in order to eliminate the risk of supplying agricultural raw materials for the sector.

There are no significant forward-looking risks referred to the Board of Directors level.

INTERNAL CONTROL SYSTEM AND THE INTERNAL AUDIT ACTIVITIES

The Internal Control System established within the Company aims to ensure efficiency and effectiveness of the activities, the reliability of the financial reporting system and its compliance with legal regulations. The Internal Control System consists of the standard definitions, job descriptions, authorization system, policies and written procedures that are included in the workflows.

Evaluation on the Internal Control System and the Internal Audit Activities

The Internal Audit unit regularly monitors the Internal Control System and evaluates its effectiveness. The activities and reports carried out during the year are presented to the Audit Committee collectively.

AUDIT COMMITTEE PRINCIPLES AND ACTIVITIES

At our company, the operating principles of the Audit Committee was revised on April 26, 2012 after a comprehensive review of the changes in Capital Markets Board regulations, ensuring the administration of accounting and reporting systems in accordance with the related laws and regulations, disclosure of financial information to the public, and supervision of administration and effectiveness of the independent audit and internal control system.

The Audit Committee convenes at least four times a year on a quarterly basis, and the outcome of these meetings is presented to the Board of Directors in the form of the minutes of the meeting. The Audit Committee convened 6 times during the activity period, and the meeting results were recorded in the minutes and presented to the Board of Directors. The committee immediately reports to the Board of Directors, in writing, any observations or suggestions related to its sphere of activity and responsibility.

The Committee in Charge of the Audit function reviews and evaluates the observations communicated to the committee by the independent audit company within the scope of independent audit activity, key issues involving the accounting policy and practices of the company, available alternative practices and public disclosure options communicated by the independent auditor to the company's management earlier in accordance with the CMB's accounting standards and accounting principles, along with their outcome and consequences as well as any implementation suggestions and other significant correspondence with the company's management. After consulting with the company's executives and independent auditors on whether annual and interim financial statements to be disclosed to the public true, accurate and fair, complying with the accounting principles followed by the company, the Audit Committee reports to the Board of Directors its findings in writing, incorporating its own assessment.

Legal Disclosures

GENERAL INFORMATION

Period of the Report: 01.01.2023 – 31.12.2023

Trade Name: Tat Gıda Sanayi A.Ş.

Trade Registry and Number: Istanbul / 96638

Mersis No: 0830003899000011

Tax Office: İSTANBUL - Büyük Mükellefler Vergi Dairesi Başkanlığı

Tax Number: 8300038990

Address: Tasdelen Mah. Sirri Celik Bulvari No:7

Cekmekoy/ Istanbul

Website: www.tatgida.com

Report on Affiliated Companies, Prepared in Accordance with Article 199 of the Turkish Commercial Code

The Board of Directors of Tat Gıda Sanayi A.Ş. is required by law (Article 199 of Turkish Commercial Code No. 6102 put into effect on July 1, 2012) to prepare a report in the first quarter of its operating year regarding its relations in the prior operating period with its controlling shareholder (parent company) and any of that party's affiliated entities, and to incorporate this report's conclusion into this annual report. The required disclosures regarding the transactions conducted by Tat Gıda Sanayi A.Ş. with its affiliated entities are included in, Notes to the Financial Statements for the accounting year of 1 January-31 December 2023, Footnote 26 - "Related Party Transactions" of the financial report.

In its meeting held on February 21.03.2024, our company's Board of Directors approved the report disclosing our relationship with our controlling shareholders within the scope of Article 199 of the TCC (Turkish Commercial Code), where the concluding section reads as follows:

"In all the transactions Tat Gıda Sanayi A.Ş. conducted in 2023 with its controlling shareholder and any of that party's affiliated entities, it has been concluded that, based on the circumstances and conditions known to us at the time of carrying out the transaction or taking or otherwise avoiding the precautions, a proper counter deed/compensation was secured in each of the transactions and there was no need

for taking or otherwise avoiding any measures to prevent the company from incurring a loss in such transactions, and there was no need for any compensating counter transaction or measure to be effected."

Management's Evaluation and Assessment and Factual Observations as to Whether the Company's Capital Has Been Eroded or the Company Has Been Heavily Leveraged

The Risk Management Committee has evaluated whether the company's capital has been eroded within the context of Article 376 of the TCC and it has been concluded that the current financial structure of Tat Gıda Sanayi A.Ş., whose issued capital is TRY 136,000,000, total shareholders' equity is TRY 2,572,522,921 and Net Financial Debt/Equity Ratio is 113% as of 31.12.2023, is suitable for the continuation of the Company's activities.

Amendment to the Articles of Association

No amendments were made to the Articles of Association in 2023.

Extraordinary General Assembly Meeting held during the year, if any

There was no Extraordinary General Meeting of Shareholders convened in 2023.

Implementation of General Assembly Resolutions

The resolutions adopted at Ordinary General Meeting of Shareholders held on March 20, 2023, have been implemented.

Collective Labor Agreement Practices

The 27th Collective Labor Agreement signed on 10.04.2023, between our company and Tekgıda-İş Sendikası (alabor union) and entered into force on January 1, 2023, is effective until December 31, 2024.

Severance Pay Liability

Severance Pay Liability is disclosed in the Notes to the

Financial Statements for the accounting year of 1 January-31 December 2023, Footnote 18 - "Employee Benefits" of the financial report.

Remuneration and Financial Benefits Provided to the Members of Board of Directors and Senior Executives

Chairman and Members of the Board of Directors are compensated through monthly attendance fees and the company's executive management through monthly remuneration plus a performance-based annual bonus as set forth by the General Meeting of Shareholders. Furthermore, any payments made are disclosed to the public in our footnotes to financial statements.

There are no transactions that would create a conflict of interest due to any company loans or advances given to the Members of our Board of Directors or executives.

The Chairman and Members of the Board of Directors, the General Manager, Assistant General Managers and the Directors who directly report to the General Manager are designated as the senior executives of Tat Gıda. The remuneration of the Board of Directors and Senior Executives in 2023 is provided in the Notes to the Financial Statements for the accounting year of 1 January-31 December 2023, Footnote 26 - "Related Party Disclosures" of the financial report.

Donations and Charitable Contributions and Expenditures on Social Responsibility Projects

A total of 5,493,758 Turkish lira was donated or otherwise paid as a charitable contribution to various social organizations and societies in 2023. (2022:2,523,572-TL)

Information on privileged shares, if any

There are no privileged shares in Tat Gıda.

Information regarding any private or public audit during the accounting period

Within the January 1, 2023 - December 31, 2023 accounting period, Tat Gıda was not subject to any private or public audit.

Information on significant lawsuits filed against the corporation and the possible results thereof

There is no significant lawsuits filed, that would hinder the operations or the financials of the company against the Company. That would hinder the operations or the financials of the company.

Administrative or legal sanctions imposed on the Company, or its executives due to actions in violation of law

There are no administrative or judicial sanctions imposed on the company or the members of the board of directors on account of practices violating regulatory provisions.

Information about the ability of controlling shareholders, board members, top executives, and their spouses and second-degree relatives to engage in transactions or compete with the company or its subsidiaries that may cause conflicts of interest

Pursuant to Articles 395 and 396 of the Turkish Commercial Code, an approval must be sought from the Ordinary General Meeting.

The information on legislative changes that could affect the Company's operations

There are no significant changes that could significantly affect the company's operations.

The information on conflicts of interest with organizations with whom the Company obtains investment consultancy and rating services and measures taken by the Company to prevent such conflicts of interest

There are no conflict of interests with institutions that provide services such as Corporate Governance ratings.

Information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5% if any

There is no mutual participation in which the direct participation rate in the capital exceeds 5 percent.

Information on branch organization

There are no branch organizations.

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Held 64 investor & analyst meetings and 3 investor webcasts
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1116498
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	KAP announcements are made in Turkish. English translations of annual reports are made available at the general assembly meetings.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction in 2023
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction in 2023
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	The PDP link regarding common and continuous related party transactions can be found at: https://www.kap.org.tr/tr/Bildirim/1116158
The name of the section on the corporate website that demonstrates the donation policy of the company	Sustainability/Policies/ Tat Gıda Donations and Sponsorship Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/919441
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Provided in Article 15 of our Articles of Association.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	General assembly meeting was held open to the public, including stakeholders and the media, without having the right to speak.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	No
The percentage of ownership of the largest shareholder	43,7%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance /Policies / Profit Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	In accordance with the Capital Markets legislation, Article 19 of the Company's Articles of Association and our Company's Dividend Distribution Policy submitted to the information of the shareholders at the General Assembly dated 17.03.2022; in order to support investments in line with the strategic plan and long-term goals of our company, taking into account the cash situation and financing opportunities, TRL 295,262,469,00 profit for the period in the financial statements for the accounting period of 01.01.2022 - 31.12.2022 prepared by the Company in accordance with the Turkish Accounting/Financial Reporting Standards within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi and TRL 343,142,425.92 profit for the period in the income statement prepared in accordance with the Tax Procedure Law, the proposal of the Board of Directors to allocate the profit as extraordinary reserve was unanimously accepted as a result of the affirmative votes of 82,597,342.29 TL.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1126509

GENERAL ASSEMBLY MEETINGS

General Meeting Date	20.03.2023
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	60,73%
Percentage of shares directly present at the GSM	0,86%
Percentage of shares represented by proxy	59,87%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Investor Relations / Corporate Governance / General Assembly Meeting
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Investor Relations / Corporate Governance / General Assembly Meeting / Meeting Minutes
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Article 13
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1116498

2. DISCLOSURE AND TRANSPARENCY**2.1. Corporate Website**

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	No real person shareholders' shares exceed 5%. This is presented on our company website in the Investor Relations / Corporate Governance / Shareholder Structure (https://www.tatgida.com.tr/en/about-us-2/management/shareholder-structure/)
List of languages for which the website is available	Turkish & English

2.2. Annual Report**The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.**

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Management & Corporate Governance
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance / Section V / Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance / Section V / Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	There are no legislative amendments that may significantly affect company operations.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Corporate Governance / Legal Disclosures
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Corporate Governance / Legal Disclosures
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no reciprocal shareholding with direct participation in the capital exceeding 5%.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Corporate Governance / Section IV / Stakeholders

3. STAKEHOLDERS**3.1. Corporation's Policy on Stakeholders**

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations / Corporate Governance / Policies / Compensation Policy for the Employees
The number of definitive convictions the company was subject to in relation to breach of employee rights	18 cases of employee claims for rights violations, such as annual leave/ seniority were concluded.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Manager
The contact detail of the company alert mechanism	Company employees can access the reporting mechanism via the intranet system. Our employees and stakeholders may also report through the reporting line as provided in Tat Gıda website: https://www.tatgida.com.tr/en/ethical-approach/ethical-line/

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Internal regulations have no public link
Corporate bodies where employees are actually represented	In our company, both unionized and non-unionized colleagues participate in the management with different methods and share their views. The annual Employee Loyalty Surveys that are conducted at our company collect the opinions of all our coworkers anonymously in open-ended questionnaire format. Through various communication meetings held at our company, company-related information is shared with the employees, dealers and other stakeholders, and their questions and comments are obtained.

3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	A succession plan is created for all key management positions. This Succession Plan is finalized by submitting the approval of the Chairman of the Board of Directors following the approval of the CEO.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Our corporate website includes "Tat Gıda Human Resources Policy" and "Tat Gıda Ethical Principles and Compliance Policies" under the heading of Sustainability / Policies. Additionally, Tat Gıda became a signatory of the United Nations Global Compact in 2023.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Our corporate website includes "Tat Gıda Human Resources Policy" and "Tat Gıda Ethical Principles and Compliance Policies" under the heading of Sustainability / Policies.
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Our corporate website includes "Tat Gıda Ethical Principles and Compliance Policies" under the heading of Sustainability / Policies.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Sustainability /Sustainability Reports
Any measures combating any kind of corruption including embezzlement and bribery	Our corporate website includes "Tat Gıda Anti-Bribery and Anti-Corruption Policy" and "Tat Gıda Ethical Principles and Compliance Policies" under the heading of Sustainability / Policies.
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	27.12.2023
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation was delegated among the board members.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Internal audit unit provides combined information to the audit committee each year regarding the operations within the year.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Corporate Governance/Risk Management and Internal Audit
Name of the Chairman	Semahat Sevim Arsel
Name of the CEO	Evren Albaş
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The Chairman of the Board of Directors and the General Manager are separate persons.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1215127
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Investor Relations/Corporate Governance/Policies
The number and ratio of female directors within the Board of Directors	As of 2023, there are 4 female members (44%) on the Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Semahat Sevim Arsel	Non-executive	Not independent director	20.03.2009		Not considered	No	Yes
Rahmi M. Koç	Non-executive	Not independent director	20.03.2009		Not considered	No	Yes
Ömer M. Koç	Non-executive	Not independent director	20.03.2009		Not considered	No	Yes
Ali Y. Koç	Non-executive	Not independent director	20.03.2009		Not considered	No	Yes
Caroline N. Koç	Non-executive	Not independent director	30.03.2016		Not considered	No	Yes
Takashi Hashimoto	Non-executive	Not independent director	13.03.2018		Not considered	No	Yes
Neslihan Tonbul	Non-executive	Independent director	19.03.2021	https://www.kap.org.tr/tr/Bildirim/1116498	Considered	No	Yes
F. Füsün Akkal Bozok	Non-executive	Independent director	13.03.2018	https://www.kap.org.tr/tr/Bildirim/1116498	Considered	No	Yes
M. Sait Tosyalı	Non-executive	Independent director	13.03.2018	https://www.kap.org.tr/tr/Bildirim/1116498	Considered	No	Yes
4. BOARD OF DIRECTORS-II							
4.4. Meeting Procedures of the Board of Directors							
Number of physical or electronic board meetings in the reporting period	In 2023, there were 8 physical board meetings, and all of the decisions, except for those taken at the mentioned meetings, were taken by shuffling method, with the members being informed a reasonable time in advance. In addition, board members were regularly informed about the company's performance and developments. Considering the meetings held, the majority of the Board members attended most of the meetings.						
Director average attendance rate at board meetings	89%						
Whether the board uses an electronic portal to support its work or not	No						
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	There is no such procedure						
The name of the section on the corporate website that demonstrates information about the board charter	There is no such procedure						
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no such procedure						
4.5. Board Committees							
Page numbers or section names of the annual report where information about the board committees are presented	Corporate Governance / Section VI/ Board of Directors						
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/1024047						

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	F. Füsün Akkal Bozok	Yes	Board member
Audit Committee	-	M. Sait Tosyalı	No	Board member
Corporate Governance Committee	-	F. Füsün Akkal Bozok	Yes	Board member
Corporate Governance Committee	-	Neslihan Tonbul	No	Board member
Corporate Governance Committee	-	Başak Tekin Özden	No	Not board member
Committee of Early Detection of Risk	-	M. Sait Tosyalı	Yes	Board member
Committee of Early Detection of Risk	-	Caroline Nicole Koç	No	Board member

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Working Principles of Committees" is provided in Tat Gıda corporate website: https://www.tatgida.com.tr/en/about-us-2/management/committees/
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Working Principles of Committees" is provided in Tat Gıda corporate website: https://www.tatgida.com.tr/en/about-us-2/management/committees/
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Activities related to the nomination committee are carried out by the Corporate Governance Committee. "The Working Principles of Committees" is provided in Tat Gıda corporate website: https://www.tatgida.com.tr/en/about-us-2/management/committees/
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Working Principles of Committees" is provided in Tat Gıda corporate website: https://www.tatgida.com.tr/en/about-us-2/management/committees/
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Activities related to the Remuneration Committee are performed by the Corporate Governance Committee. "The Working Principles of Committees" is provided in Tat Gıda corporate website: https://www.tatgida.com.tr/en/about-us-2/management/committees/

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Management section/ Message from the General Manager
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	On Tat Gıda corporate website, "Remuneration Policy" is given in the link: https://www.tatgida.com.tr/en/about-us-2/management/policies/
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Corporate Governance/ Legal Disclosures / Financial Rights Assigned to the Members of the Board of Directors and Senior Managers

COMPOSITION OF BOARD COMMITTEES-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Denetim Komitesi (Audit Committee)	-	100%	100%	6	6
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	67%	67%	4	4
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	100%	50%	8	8

Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was not any notification made regarding such a transaction
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The agenda of the General Shareholders' Meeting included a separate item for the total amount of the donations and contributions made and major donations were explained in the general assembly information document. The remaining amount for which the details were not provided, includes donations to various parties each below 50.000,00 TL, which were not deemed as material information to our shareholders. As the donations below this threshold are not interrogated by our investors, we foresee to continue with the current practice of disclosing only the material amounts.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Within our Company, no cross ownerships exist that are associated with a controlling relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not vested by the Articles of Association in shareholders holding less than one twentieth of the capital and rights are vested within the general framework of the regulations. Furthermore, there was no demand from the investors regarding this issue and any changes to the current structure is not foreseen.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					Since there is no legislative change that could significantly affect the company's activities and there is no conflict of interest with the service providers in matters such as rating, no explanation has been made about these matters in the activity report.
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system		X				In 2023, there were 8 physical board meetings, and all of the decisions, except for those taken at the mentioned meetings, were taken by shuffling method, with the members being informed a reasonable time in advance. In addition, board members were regularly informed about the company's performance and developments. Considering the meetings held, the majority of the Board members attended most of the meetings.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.			X			There is no procedure regarding this issue. The timing for the submission of information to members of the Board of Directors is determined on the basis and procedures of the Board agenda, and notified to members within a reasonable period. A regulation on the working principles of the Board of Directors is currently not planned.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there was an opportunity to give feedback, no such notification was made from our members of the board of directors who could not attend the meeting.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.			X			There have been consistent processes in our Company for many years but there are no written internal regulations regarding the meeting procedures of the board. Considering the effective work of the board of directors, even though there is no urgent need to make a definition in this regard, it is aimed to make an evaluation regarding the issue in the upcoming periods.
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no restrictions for BoD Members on assuming other positions or duties outside the Company. Such a restriction is not deemed necessary as the business and sectoral experience of BoD Members makes a vital contribution to the BoD. CVs of the BoD Members are provided in the annual report. Given the performance and the efficiency of the BoD and taking into account the fact that the current structure does not impose any challenges in terms of corporate governance, any changes to the current structure is not foreseen in the short-run.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			The assignment of the committees is made in accordance with the relevant regulations, taking into account the knowledge and experience of our board members and some board members are assigned to more than one committee. Members in more than one committee provide communication between the committees involved in related matters and increase the opportunities for cooperation. Considering that the number of board members is 9 and the number of committees required to be formed in accordance with the CMB regulations, compliance with the principle does not seem feasible in practice. Given the performance and the efficiency of the committees and the valuable contributions of Board members, any changes to the current structure is not deemed necessary.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	Such a need has not been brought to the agenda in 2023.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There was no consultancy service received for this purpose.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Similar to the general practices, the remuneration of the members of the Board and Executive Management is disclosed in total in the annual report and at the General Assembly meetings. We are monitoring the general market practices in this subject which we deem to be material in terms of the protection of personal information, and intend to follow such prevalent practice.

Declaration 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 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 our company's efforts to create value in a sustainable manner.

Tat Gıda's efforts on sustainability issues that overlap with CMB's Sustainability Principles are explained in a detailed manner in the Annual Report in mainly the Sustainability section. For the principles where full compliance is not achieved, the explanations are provided below. For such principles, the implications on environmental and social risk management are analyzed within the scope of our sustainability efforts.

- Principle A1.2: Tat Gıda has started the work necessary to set short and long-term targets in line with its sustainability strategy and aims to share the final status of these targets with the public in the coming periods.

- Principle A2.2: Tat Gıda is in the process of developing a roadmap and action plans for its sustainability strategy, which will be shared with the public after undergoing a

thorough evaluation and approval process. As part of its commitment to diversity, Tat Gıda aims to always maintain a minimum representation of 25% female members on the Board of Directors, aligning with the Diversity Policy adopted in February 2022. In addition, Tat Gıda released its first Sustainability Report in 2023, marking a significant milestone in its commitment to sustainability. Ongoing efforts are being made to advance in this direction.

- Principle A4.1: To enhance the reliability of publicly disclosed data, independent third-party organizations conduct verification studies. The scope of these studies expands annually, encompassing a broader range of indicators. Tat Gıda completed verification studies for 2022 concerning environmental indicators. In 2023, verification studies are being conducted for scope 1 and 2 emissions, with results to be publicly shared upon completion. The calculation of Tat Gıda's Scope 3 emissions is underway, with future plans encompassing public reporting and the formulation of strategies to mitigate and reduce them. Efforts will continue in sharing verification results for additional environmental and social indicators with the public in the upcoming years.

- Principle B.9: Scope 1 and Scope 2 greenhouse gas emissions are regularly calculated and shared with the public in accordance with the Company's sustainability projects. Similarly, environmental indicators such as energy consumption, water usage, and waste are regularly monitored and reported. Efforts to quantify Scope 3 emissions are ongoing, with intentions to formulate approaches for both reporting and minimizing these emissions in the upcoming years.

- Principle B.13: Tat Gıda, as part of its sustainability initiatives, published its first Sustainability Report in 2023 and is actively engaged in developing goals and action plans toward achieving carbon neutrality.

- Principle B.14: Tat Gıda, with a vision for sustainable agriculture, integrates digital farming technologies into the production processes to enhance productivity and quality in agriculture. Tat collaborates with partners to contribute to the development of these technologies while aiming to increase farmers' knowledge and awareness and minimize agricultural risks by using technology and data. While projects are being implemented within the company to reduce greenhouse gas emissions, there is currently no action involving third parties. In the coming period, studies on this issue will be carried out by observing the good sectoral practices.

- Principle B.19: Within the framework of sustainability initiatives, Tat Gıda is implementing projects aimed at utilizing renewable energy. Progress in the development of projects' legal approvals and processes was achieved in 2023. In 2024, once the investment decisions are made and projects are launched, information regarding renewable energy will be disclosed to the public.

- Principle B.24: Due to the fact that the legal regulatory processes regarding carbon pricing have not yet been completed in our country, there is currently no carbon pricing system in place for the Company.

Sustainability Principles Compliance Report prepared in accordance with the formats defined by the CMB Resolution dated 23 June 2022, numbered 34/977, and approved by the Company's Board of Directors is provided in the following pages of the annual report, and related documents can also be accessed on our Company's page on the Public Disclosure Platform.

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1091-tat-gida-sanayi-a-s>

Sustainability Principles Compliance Report

							Compliance					
PRINCIPLE	Yes	No	Partial	N/A	Explanation	Related Report/Link						
A. General Principles												
A1. Strategy, Policy and Targets												
A1.1	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.	X				To achieve a more livable world today and in the future with a more positive social and economic structure, Tat Gıda works meticulously at its sustainability activities every year in a way that contributes to meeting the global goals.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/08/Board-Diversity-Policy-1.pdf					
	The Board of Directors establishes relevant ESG policies (e.g.Environmental Policy, Energy Policy,Human Rights and Employee Policy,etc.) and they are publicly disclosed.	X				Please visit the Company's website to see Tat Gıda Sanayi A.Ş.'s sustainability policies	https://www.tatgida.com.tr/en/sustainability-strategy/policies-2/					
A1.2	Publicly discloses short- and long-term goals set according to ESG policies.			X		Tat Gıda has started the work necessary to set short and long-term targets in line with its sustainability strategy and shares the final status of these targets with the public with Sustainability Reports. Tat Gıda aims to keep the ratio of female members on the Board of Directors at a minimum of 25% at all times in accordance with the Diversity Policy of the Board of Directors adopted in February 2022.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/08/Board-Diversity-Policy-1.pdf					
A2.1	Determines and discloses the committees/ units responsible for the execution of ESG policies, and the highest level positions in charge of ESG issues at the Company and their duties.	X				In the year 2023, the first Sustainability Report has been published. As Tat Gıda, we track sustainability management through one main committee and four sub-committees. In our established governance structure, the General Manager of Tat Gıda assumes the chairmanship of the main Sustainability Committee. The People Committee, Values Committee, Society Committee, and the World Committee regularly report their activities to the Sustainability Committee, and the efforts of the Sustainability Committee are reported to the Board of Directors through the General Manager of Tat Gıda.	Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)					
	The responsible committee and/or unit reports the activities carried out as per the policies during the year at least once a year to the Board of Directors.	X				The Corporate Governance Committee and the Risk Committee informs the Board of Directors about Sustainability Principles compliance activities.	Tat Gıda Annual Report, Corporate Governance Section					

							Compliance					
PRINCIPLE	Yes	No	Partial	N/A	Explanation	Related Report/Link						
A2. Implementation/Monitoring												
A2.2	Creates and discloses implementation and action plans aligned with ESG targets			X		Tat Gıda's first Sustainability Report has been published, and functional targets have been determined. Efforts in this direction will continue.	Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)					
A2.3	Discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by years.	X				The Key Performance Indicators focusing on ESG are published regularly every year in the "Sustainability" section of the Tat Gıda Annual Report. In 2023, within the scope of Tat Gıda's first Sustainability Report (2022), targets have been shared, and information regarding the achievement of these targets will be published annually.	Tat Gıda Faaliyet Raporu, Sürdürülebilirlik Bölümü Tat Gıda Sürdürülebilirlik Raporu (https://www.tatgida.com.tr/tr/surdurulebilirlik/surdurulebilirlik-raporu/)					
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.	X				Tat Gıda's regularly publishes the enhancing initiatives concerning its sustainability performance in the "Sustainability" section of the Tat Gıda Annual Report every year.	Tat Gıda Annual Report, Sustainability Section					
A3. Reporting												
A3.1	Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)					
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)					
A3.3	Makes disclosures regarding the lawsuits filed and/ or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)					

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
A4. Verification							
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.		X			An independent third-party organization conducts verification studies to increase the reliability of publicly disclosed data, and the scope of the indicators for these verification studies is expanded every year.	Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles
B. Environmental Principles							
B1	Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs.	X				Tat Gıda is proactive in its efforts towards achieving a sustainable future, using digitalization to measure its effects on nature with the goal of saving water and reducing its carbon emissions, energy consumption, and waste.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report https://www.tatgida.com.tr/en/sustainability-report/
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information.	X					Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B4	Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).	X				As stated in the Tat Gıda Compensation Policy, individual performance measurement considers long-term sustainable improvement beyond financial aspects, adhering to principles of Environmental, Social, and Corporate Governance (ESG) policies. Within Tat Gıda, goals are set using the Objectives and Key Results (OKR) Performance Management System for all employees, starting from top management. OKR is a method where employees align their objectives and key results according to company goals and strategies, adapting goals dynamically throughout the year based on changing priorities. Tat Gıda General Manager, Senior Managers, and employees involved in Sustainability Management committees have objectives linked to ESG within their OKRs	Tat Gıda Annual Report, Sustainability Section https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/08/Remuneration-Policy-1.pdf
B5	Explains how environmental issues identified to be material are integrated into business goals and strategies.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
B7	Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies.	X				Tat Gıda is proactive in its efforts towards achieving a sustainable future, using digitalization to measure its effects on nature with the goal of saving water and reducing its carbon emissions, energy consumption, and waste	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B8	Discloses whether it is involved in policy-making processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).			X		Within the scope of sustainability studies, Scope 1 and Scope 2 greenhouse gas emissions are regularly calculated and shared with the public in accordance with the Company's sustainability projects. Similarly, environmental indicators such as energy consumption, water usage, and waste are regularly monitored and reported. The calculation of Tat Gıda's Scope 3 emissions is underway, with future plans encompassing public reporting and the formulation of strategies to mitigate and reduce them.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B10	Discloses the standard, protocol, methodology and baseline year details X used to collect and calculate its data.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B11	Publicly discloses the status of environmental indicators for the reporting year (increase or decrease)in comparison with previous years.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B12	Sets short and long-term goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles
B13	Discloses its strategy and actions to combat the climate crisis.		X			In 2023, Tat Gıda published its first Sustainability Report as part of its sustainability efforts and is also working on creating targets and action plans towards becoming carbon neutral.	Tat Gıda Annual Report Sustainability Section Declaration of Compliance with Sustainability Principles

PRINCIPLE	Compliance				Explanation	Related Report/Link
	Yes	No	Partial	N/A		
B14			X		While it has adopted the principle of protecting the health of the soil, water, and air in all its processes from field to fork, Tat Gıda also supports the protection of the planet through good agricultural practices.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
		X			At present, there is no ongoing action involving third parties during the implementation of projects within the company. Moving forward, initiatives in this regard may be pursued by examining industry best practices.	Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principle Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B15	X				Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/revenues and cost savings they provide.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B16	X				Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/environment-and-energy-management/
B17	X				Discloses information about the electricity, heat, steam and cooling generated during the reporting year.	https://www.tatgida.com.tr/en/environment-and-energy-management/
B18	X				Conducts and discloses on increasing the use of renewable energy, transition to zero or low carbon electricity.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)

PRINCIPLE	Compliance				Explanation	Related Report/Link
	Yes	No	Partial	N/A		
B19		X			Discloses data on its renewable Koç Holding Annual energy generation and consumption.	As part of its sustainability work, Tat Gıda is implementing projects for the use of renewable energy. The details and schedule of the projects are specified in the Sustainability Report. Upon the commissioning of the projects, renewable energy data will be shared with the public. Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B20	X				Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B21	X				Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
B22				X	Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax)	The Company is not involved in any carbon pricing system, since legal regulations regarding such a system have not yet been completed in our country.
B23				X	Discloses the carbon credits saved or purchased during the reporting period.	There are no accumulated or purchased carbon credits during the reporting period. Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles
B24		X			Discloses the details if carbon pricing is applied within the Company	The Company is not involved in any carbon pricing system, since legal regulations regarding such a system have not yet been completed in our country. Evaluation continues on various tools to help with the transition to a low carbon economy, and those deemed suitable will be implemented according to the strategy. Tat Gıda Annual Report, Declaration of Compliance with Sustainability Principles
B25	X				Discloses the platforms that it reports its environmental information to.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/environment-and-energy-management/

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/sustainability-strategy/policies-2/	
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/sustainability-strategy/policies-2/	
C1.3	Discloses the measures taken Policy Sustainability throughout the value chain for Report pp. 48-54 protecting the rights of groups "Diversity and Inclusion sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/equal opportunity.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/ethical-approach/	
C1.4	Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/ethical-approach/	

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
	Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/life balance solutions and talent management in its policies concerning employee rights.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/you-dont-know-tat/	
C1.5	Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/ethical-approach/ethical-line/	
	Discloses the activities for ensuring employee satisfaction during the reporting period.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C1.6	Establishes and discloses occupational health and safety policies.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://www.tatgida.com.tr/en/sustainability-strategy/policies-2/	
	Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C1.7	Establishes and discloses personal data protection and data security policies.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/12/10.Tat-Gida_Personal_Data_Protection_Policy.pdf	

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
C1.8	Establishes and discloses a code of ethics.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/12/00.-Tat-Gida-Code-of-Ethics.pdf	
C1.9	Explains the works within the scope of social investment, social responsibility, financial inclusion and access to finance.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C2. Stakeholders, International Standards and Initiatives							
C2.1	Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.	X				https://tatgida.azureedge.net/wp-prod/wp-content/uploads/2023/12/00.-Tat-Gida-Code-of-Ethics.pdf	
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	X				Tat Gıda Annual Report, Corporate Governance Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C2.3	Discloses the international reporting standards embraced in its reporting.	X				Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees a	X				Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)	
C2.5	Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers.	X				Tat Gıda Annual Report, Stock Performance Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/) https://borsaistanbul.com/en/sayfa/2227/sustainability-indices	

		Compliance				Explanation	Related Report/Link
PRINCIPLE		Yes	No	Partial	N/A		
D. Corporate Governance Principles							
D1	Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.	X				In order to publish its first Sustainability Report, the company carried out a strategic prioritization analysis in 2023 to identify risks and opportunities regarding environmental, social and corporate governance. Both internal stakeholders, including employees at all seniority levels, and external stakeholders, including members of academia, civil society, industry associations, suppliers, customers and investors, were included in this study.	Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)
D2	Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	X					Tat Gıda Annual Report, Sustainability Section Tat Gıda Sustainability Report (https://www.tatgida.com.tr/en/sustainability-report/)

Statement of Responsibility for Financial Statements

**PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUE II-14.1.
ON FINANCIAL REPORTING**

INFORMATION ON THE BOARD OF DIRECTOR'S RESOLUTION REGARDING THE APPROVAL OF THE FINANCIAL
STATEMENTS

RESOLUTION DATE: 11.03.2024

RESOLUTION NUMBER: 2024/08

Under the Capital Markets Board Regulations; within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company, we hereby declare that;

Balance Sheet, Statement of Income, Statement of Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity along with the related Notes prepared by the company for the period of 01.01.2023 – 31.12.2023 and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., under the CMB Financial Reporting Communiqué II.14.1. and Turkish Financial Reporting Standards ("TFRS) in accordance with the Principle Decision on inflation accounting application dated 28.12.2023 and in line with the formats determined by the CMB;

- have been reviewed by us,
- do not contain any inaccuracy in all material respects and are free of omissions that may be regarded as misleading as of the issue date,
- The financial statements prepared in line with the Communiqué present fairly the assets, liabilities, financial position and the results of operations of the company.

Regards,

F.Fusun Akkal Bozok

Audit Committee President

M. Sait Tosyalı

Audit Committee Member

Başak Tekin Özden

Assistant General Manager,
Finance & Accounting

Statement of Responsibility for Annual Report

**PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUE II-14.1.
ON FINANCIAL REPORTING**

INFORMATION ON THE BOARD OF DIRECTOR'S RESOLUTION REGARDING THE APPROVAL OF THE ANNUAL REPORT
RESOLUTION DATE: 04.04.2024

RESOLUTION NUMBER: 2024/13

Under the Capital Markets Board (CMB) Regulations, within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company, we hereby announce and declare that the attached Annual Report, which includes the Corporate Governance Compliance Report, the Corporate Governance Information Form and the explanations regarding Sustainability Principles of CMB, for the year of 2023 prepared by the Company in accordance with Turkish Commercial Code and CMB Financial Reporting Communiqué numbered as II.14.1. and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with CMB Regulations;

- Has been reviewed by us,
- does not contain any inaccuracy in all material respects and is free of omissions that may be regarded as misleading as of the issue date;
- presents fairly the progress and the performance of the business, the financial position of the Company together with the material risks and uncertainties.

Regards,

F.Fusun Akkal Bozok

Audit Committee President

M. Sait Tosyalı

Audit Committee Member

Başak Tekin Özden

Assistant General Manager,
Finance & Accounting

Independency Declaration

I hereby declare that I'm a candidate for taking office as the "independent member" at Board of Directors of Tat Gıda Sanayi A.Ş. (The Company) under the criteria stipulated by the regulations, articles of association and Corporate Governance Communique of the Capital Markets Board and within this scope,

a) Within the last five years, there hasn't been any employment relation in executive position bearing material duties and responsibilities between me, my spouse and blood or other relatives up to the second degree and the Company, any of the affiliates, in which the Company control or materially effects the control and the partners controlling the management of the Company or the legal persons, the managements of which are controlled by the shareholders; that I neither hold, either jointly or individually, more than 5 % of the capital or voting rights or privileged shares, nor have established any material commercial relations with them,

b) Within the last five years, I haven't been partners (5% or more), worked at or carried out duty in executive position bearing material duties and responsibilities or as the Board Member of companies, especially in the companies which carry out the auditing (including tax audit, legal audit and internal audit), evaluation and consultancy of the company and from which the company purchases significant quantities of services or goods under the agreements made, during the periods when such services and goods purchasing took place,

c) I have professional training, knowledge and experience in order to duly perform the duties that I shall undertake as an Independent Board Member.

d) I will not work full time at public and private institutions, excluding working as lecturer at the university according to the legislation, after I'm selected as the member.

e) I am deemed to reside in Turkey pursuant to the Income Tax Law (ITL) dated 31/12/1960 and with the number 193,

f) I have the strong ethical standards, professional prestige and experience that can make positive contribution to the company's operations, retain my objectivity in case of any interest disagreements between the company's partners and freely take resolution in consideration of the rights of the stake holders.

g) I can allocate time sufficient for following the progress of the company's operation and in a manner that is suitable for fully performing the duties undertaken,

h) I haven't carried out duty as the member of the Company for a period of more than 6 years within the last ten years,

i) I am not carrying out duty as independent board member of more than three companies held by the partners controlling or holding the management control of the Company and in total, not carrying out duty as independent board member of more than five companies quoted in stock exchange,

j) I haven't been registered and announced on behalf of the legal entity, who has been appointed as the Board member.

February 15, 2023

F. FÜSUN AKKAL BOZOK

Independency Declaration

I hereby declare that I'm a candidate for taking office as the "independent member" at Board of Directors of Tat Gıda Sanayi A.Ş. (The Company) under the criteria stipulated by the regulations, articles of association and Corporate Governance Communique of the Capital Markets Board and within this scope,

a) Within the last five years, there hasn't been any employment relation in executive position bearing material duties and responsibilities between me, my spouse and blood or other relatives up to the second degree and the Company, any of the affiliates, in which the Company control or materially effects the control and the partners controlling the management of the Company or the legal persons, the managements of which are controlled by the shareholders; that I neither hold, either jointly or individually, more than 5 % of the capital or voting rights or privileged shares, nor have established any material commercial relations with them,

b) Within the last five years, I haven't been partners (5% or more), worked at or carried out duty in executive position bearing material duties and responsibilities or as the Board Member of companies, especially in the companies which carry out the auditing (including tax audit, legal audit and internal audit), evaluation and consultancy of the company and from which the company purchases significant quantities of services or goods under the agreements made, during the periods when such services and goods purchasing took place,

c) I have professional training, knowledge and experience in order to duly perform the duties that I shall undertake as an Independent Board Member.

d) I will not work full time at public and private institutions, excluding working as lecturer at the university according to the legislation, after I'm selected as the member.

e) I am deemed to reside in Turkey pursuant to the Income Tax Law (ITL) dated 31/12/1960 and with the number 193,

f) I have the strong ethical standards, professional prestige and experience that can make positive contribution to the company's operations, retain my objectivity in case of any interest disagreements between the company's partners and freely take resolution in consideration of the rights of the stake holders.

g) I can allocate time sufficient for following the progress of the company's operation and in a manner that is suitable for fully performing the duties undertaken,

h) I haven't carried out duty as the member of the Company for a period of more than 6 years within the last ten years,

i) I am not carrying out duty as independent board member of more than three companies held by the partners controlling or holding the management control of the Company and in total, not carrying out duty as independent board member of more than five companies quoted in stock exchange,

j) I haven't been registered and announced on behalf of the legal entity, who has been appointed as the Board member.

February 15, 2023

NESLİHAN TONBUL

Independency Declaration

I hereby declare that I'm a candidate for taking office as the "independent member" at Board of Directors of Tat Gıda Sanayi A.Ş. (The Company) under the criteria stipulated by the regulations, articles of association and Corporate Governance Communique of the Capital Markets Board and within this scope,

a) Within the last five years, there hasn't been any employment relation in executive position bearing material duties and responsibilities between me, my spouse and blood or other relatives up to the second degree and the Company, any of the affiliates, in which the Company control or materially effects the control and the partners controlling the management of the Company or the legal persons, the managements of which are controlled by the shareholders; that I neither hold, either jointly or individually, more than 5 % of the capital or voting rights or privileged shares, nor have established any material commercial relations with them,

b) Within the last five years, I haven't been partners (5% or more), worked at or carried out duty in executive position bearing material duties and responsibilities or as the Board Member of companies, especially in the companies which carry out the auditing (including tax audit, legal audit and internal audit), evaluation and consultancy of the company and from which the company purchases significant quantities of services or goods under the agreements made, during the periods when such services and goods purchasing took place,

c) I have professional training, knowledge and experience in order to duly perform the duties that I shall undertake as an Independent Board Member.

d) I will not work full time at public and private institutions, excluding working as lecturer at the university according to the legislation, after I'm selected as the member.

e) I am deemed to reside in Turkey pursuant to the Income Tax Law (ITL) dated 31/12/1960 and with the number 193,

f) I have the strong ethical standards, professional prestige and experience that can make positive contribution to the company's operations, retain my objectivity in case of any interest disagreements between the company's partners and freely take resolution in consideration of the rights of the stake holders.

g) I can allocate time sufficient for following the progress of the company's operation and in a manner that is suitable for fully performing the duties undertaken,

h) I haven't carried out duty as the member of the Company for a period of more than 6 years within the last ten years,

i) I am not carrying out duty as independent board member of more than three companies held by the partners controlling or holding the management control of the Company and in total, not carrying out duty as independent board member of more than five companies quoted in stock exchange,

j) I haven't been registered and announced on behalf of the legal entity, who has been appointed as the Board member.

February 15, 2023

M. SAİT TOSYALI



General Assembly

- 132 Agenda of the Ordinary General Meeting of Shareholders
- 133 Independent Auditor's Compliance Opinion on the Annual Report
- 135 Dividend Distribution Policy
- 136 Dividend Distribution Proposal
- 138 Remuneration for Senior Managers and Members of the Board of Directors

Agenda of the Ordinary General Meeting of Shareholders

TAT GIDA SANAYİ A.Ş.

AGENDA FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS ON 25 APRIL 2024

1. Opening and appointment of the Chair of the Assembly,
2. Presentation, negotiation and approval of 2023 Annual Activity Report issued by the Board of Directors of the Company,
3. Presentation of the Independent Audit Report Summary related to year 2023 accounting period,
4. Presentation, negotiation and approval of the Financial Statements related to year 2023 accounting period,
5. Approval of changes in the Board of Directors members, According to Article 363 of the Turkish Commercial Code
6. Release of the members of the Board of Directors for the activities of the Company in year 2023,
7. Approval, approval through amendment or refusal of the proposal of the Board of Directors about the dividend distribution and the date of dividend payment for year 2023, which is prepared within the framework of the Company's dividend distribution policy.
8. Determining the number of the Board of Directors and their period in office, election of the determined number of members, election of the Independent Members of the Board of Directors,
9. Informing the Shareholders about the "Remuneration Policy" for Members of the Board of Directors and Senior Managers under the Corporate Governance Principles as well as the payments made under the policy and approval of the same,

10. Determining the yearly gross remunerations for the members of the Board of Directors,
11. Approval of the Independent Audit Company elected by the Board of Directors under the Turkish Commercial Code and the regulations of the Capital Markets Board,
12. Informing the Shareholders about the donations of the Company in 2023 and determining upper limit for the donations to take place in 2024,
13. Informing the Shareholders about the guarantees, pledges and liens given in favor of the third parties, and incomes or benefits provided by the Company in 2023 as to the regulations of Capital Markets Board,
14. Permission for the shareholders, members of the Board of directors, and senior managers, who have control in management, and their spouses and relatives up to second generation by heritage or by marriage, within the framework of 395 and 396 of the Turkish Commercial Code and informing the shareholders about the transactions realized in 2023 in parallel with the Corporate Governance Principles of the Capital Market Code,
15. Wishes and opinions.

On the Board of Directors' Annual Report Originally Issued in Turkish



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

To the General Assembly of Tat Gıda Sanayi A.Ş.

1. Opinion

We have audited the annual report of Tat Gıda Sanayi A.Ş. (the "Company") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 11 March 2024 on the full set financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçalı Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

4. Board of Director's Responsibility for the Annual Report (Continued)

b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Company's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Cihan Harman, SMMM
Independent Auditor

Istanbul, 4 April 2024

Dividend Distribution Policy

Our Company distributes dividends to the shareholders within the framework of the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other relevant regulations and the article of the Articles of Association of our Company regarding the dividend distribution. Within such practice, a balanced and coherent policy is sought between the interests of the shareholders and the Company in accordance with the Corporate Governance Principles.

Within the framework of article 19 of our Articles of Association, General Assembly is entitled to decide a distribution of dividends to members of the board of directors, officers, employees and workers, foundations established for various purposes and persons and organizations of similar quality from the amount remaining after the primary legal reserve of 5% reserved from the pretax profit, financial liabilities and the first dividend, which is reserved according to the Capital Market Legislation by a resolution regarding dividends. Moreover, after deducting 5% of the paid-in capital from the amount assessed for the first dividend, 5% of the remaining amount is paid to the founder beneficial right holders within the framework of the Capital Market Regulations.

As a principle, minimum 20% of the distributable dividend calculated based on the communiqués of the Capital Market Board shall be distributed in cash and/or as bonus shares calculated according to the communiqués of the Capital Market Board as long as the applicable regulations and financial means allow and with due consideration of the long-term strategies, investment and financing policies and profitability status of our company and as long as it can be covered by the sources entered into our legal records.

It is aimed to dividend distribution within not later than one month following General Assembly, and General Assembly decides the dividend payment date. General Assembly or the Board of Directors, if authorized, may decide for distribution of the dividend by installments in accordance with the Capital Market Regulations.

According to the Articles of Association of the Company, the Board of Directors may make advance payments for dividend, provided that authorization by the General Assembly shall be sought and Capital Market Regulations shall be observed.

Profit Distribution Proposal

The financial statements, which were prepared in accordance with Turkish Financial Reporting Standards (TFRS) for the January 1 - December 31, 2023 accounting period and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., were reviewed and accepted by the management of Tat Gıda Sanayi A.Ş. during our Board meeting dated 11.03.2024 and they have been deemed appropriate to be submitted to the General Assembly.

As a result of examining the financial statements in question and Tat Gıda Sanayi A.Ş.'s financial statements based on the records kept in accordance with the provisions of the Tax Procedure Law (TPL);

Having seen that the company generated net loss amounting to TL 86.244.297 for the period according to the financial statements prepared in accordance with TFRS and adjusted for inflation taking into account the CMB's Announcement on applying inflation accounting, however it generated net profit amounting to TL 25.653.595,65 for the period according to the TPL bookings, which were not adjusted for inflation;

a. It has been resolved that the notion stipulating that the general legal reserve fund of 5%, which must be set aside in accordance with Article 519 of the Turkish Commercial Code, shall not be allocated for 2023, since the amount in the TPL records has reached the limit of 20% of the capital as of 31.12.2023,

that the net period loss generated is TL 86.244.297 according to the inflation-adjusted 2023 financial statements prepared in accordance with TFRS and the losses for the previous year resulting from inflation adjustment are TL 390.114.400, and thus, there is no net distributable period for profit available in the financial statements in question,

that the net distributable profit of TL 25.653.595,65 was generated in 2023 according to the financial statements prepared according to TPL records, not adjusted for inflation, and accordingly;

b. In accordance with the Capital Markets Legislation and Article 19 of the Company's Articles of Association and our Company's Profit Distribution Policy approved by the shareholders at the General Assembly dated 20.03.2023;

1) TL 25.653.595,65 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,

2) that TL 86.244.297 which is loss for the current year in the inflation-adjusted financial statements prepared in accordance with TFRS shall be covered respectively;

- as TL 38.030.659 from legal reserves,
- as TL 48.213.638 from the premiums (emission premiums) related to the shares as

3) Previous year losses resulting from inflation adjustment amounting to TL 390.114.400 shall be covered respectively;

- as TL 84.204.013 from the premiums (emission premiums) related to the shares
- as TL 305.910.387 from the adjustment differences regarding the capital account and justification for offset be submitted to the approval of our shareholders at our Company's Ordinary General Assembly Meeting.

Tat Gıda Sanayi A.Ş. Dividend Distribution Statement for Year 2023 (TRY)

1.	1.Paid-In / Issued Capital		136.000.000,00
2.	Total Legal Reserves (According to Legal Records)		38.030.658,89
	Information on privileges in dividend distribution, if any, in the Articles of Association:		-
		According to CMB	According to Tax Book
3.	Current Period Profit	-61.568.690,00	50.467.860,63
4.	Taxes Payable (-)	24.675.607,00	24.814.264,98
5.	Net Current Period Profit (=)	-86.244.297,00	25.653.595,65
6.	Losses in Previous Years (-)	390.114.400,00	0,00
7.	Primary Legal Reserves (-)	0,00	0,00
8.	NET DISTRIBUTABLE CURRENT PERIOD (=)	-476.358.697,00	25.653.595,65
9.	Donations Made during the Year (+)	6.926.675,33	0,00
10.	Donation-Added Net Distributable Current Period Profit on which First Dividend is Calculated	-469.432.021,67	25.653.595,65
11.	First Dividend to Shareholders	0,00	0,00
	- Cash	0,00	0,00
	- Stock	0,00	0,00
	- Total	0,00	0,00
12.	Dividend Distributed to Owners of Privileged Shares	-	0,00
13.	Other Dividend Distributed	-	0,00
14.	Dividend to Owners of Redeemed Shares	0,00	0,00
15.	Second Dividend for Shareholders	0,00	0,00
16.	Secondary Legal Reserves	0,00	0,00
17.	Statutory Reserves	0,00	0,00
18.	Special Reserves	0,00	0,00
19.	EXTRAORDINARY RESERVES	-86.244.297,00	25.653.595,65
20.	Other Distributable Resources	0,00	0,00

Remuneration Policy for Senior Managers and Members of the Board of Directors

This policy determines the remuneration system for the Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly affiliated with the General Manager. In accordance with Turkish Commercial Code and Article 13 of Tat Gıda Sanayi A.Ş. Articles of Association, a fixed remuneration is determined for the board membership functions of all members of the Board at the Annual General Meeting of the Company. Pro rata payment is made to the members of the Board of Directors by taking into account the time they carried out their duty between the date of appointment and the date of resignation.

The executive Members of the Board of Directors shall be paid remuneration within the scope of the policy determined for Senior Managers as outlined below.

In addition to the fixed wage determined at the general assembly, additional benefits may be provided within the framework of the opinion of the Corporate Governance Committee to the members assigned to carry out certain functions in order to contribute to company activities other than the membership of the board of directors.

In respect of remuneration of the Independent Members of the Board of Directors, a payment plan based on the performance of the Company may not be used.

The expenses of the members of the board of directors may be covered by the company due to their contribution to the company (costs of transport, telephone, insurance etc.).

The remuneration for the senior managers, on the other hand, consists of two components, which are fixed and performance based.

Our remuneration management systems are established and applied in line with fair, objective, competitive, rewarding and motivating criteria and primary goals that recognize high performance.

The fixed salaries for Senior Managers are determined in accordance with international standards and legal obligations by taking into account the prevailing macroeconomic data in the market, the salary policies prevailing in the market, the size and long-term targets of the Company and the positions of the persons. With the remuneration policy, it is aimed to increase the motivation and loyalty of the employees by taking into account the internal wage balances and competitiveness in the market, and to attract qualified employees that have competencies capable of achieving our strategical business goals.

Bonuses for Senior Managers, on the other hand, are calculated based on bonus base, the performance of the company and the individual performance in a way that will support companies to exceed business goals, encourage high performance and reward sustainable success. A summary of the criteria is as follows:

- **Bonus Base:** Bonus Base is updated at the beginning of each year and varies depending on the work volume of the management positions. When updating the bonus base, senior management bonus policies in the market are taken into account.

- **Company Performance:** The performance of the Company is determined at the end of the year by measuring the financial and operational targets (i.e. market share, exports, overseas operations, productivity) assigned to the Company at the beginning of each year. In determination of the Company's targets, the sustainability of success and the degree to which it incorporates improvements over previous years are the principles taken into account.

- **Individual Performance:** In the determination of individual performance, the individual and collective objectives and key results determined by Senior Managers with their teams and executives are taken into account. In the measurement of individual performance, the principle of achieving long-term sustainable improvement in areas and compliance with Environmental, Social and Governance (ESG) policies apart from the financial dimension are also observed.

Severance payments may be granted to the Senior Managers by taking into account total term of service, term of service as an executive, as well as contributions made to the Company, the recent bonus base, and the salaries and bonuses paid in the last year of service.

Total amounts determined by the above principles and paid to the Senior Managers and the members of the Board of Directors during the year are submitted to the information and/or approval of the shareholders during the general assembly in accordance with the legislation.



Financial Report

- 142 Financial Report and Independent Auditor's Report
- 149 Balance Sheet
- 151 Income Statement
- 152 Statement of Changes in Equity
- 154 Cash Flow Statements
- 155 Footnotes



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

Independent Auditor's Report

To the General Assembly of Tat Gıda Sanayi A.Ş.

A) Audit of the financial statements

1. Our opinion

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

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

2. Basis for opinion

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

3. Key audit matters

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



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

3. Key audit matters (Continued)

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of IAS 29 - Financial Reporting in Hyperinflationary Economies</p> <p>The Company applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its financial statements as of and for the year ending 31 December 2023.</p> <p>According to TAS 29, the financial statements as of 31 December 2023 should be restated in accordance with 31 December 2023 purchasing power.</p> <p>Applying TAS 29 results in significant changes to financial statement items included in the Company's financial statements as of and for the year ending 31 December 2023, which have been restated for comparative purposes. The application of TAS 29 has a pervasive and material impact on the financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The Company's accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.1.</p>	<ul style="list-style-type: none"> We performed the following audit procedures in relation to the application of TAS 29: Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management, Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29, Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis, Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute, Testing the mathematical accuracy of nonmonetary items, income statement, and cash flow statement adjusted for inflation effects, Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance with TFRS.



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

3. Key audit matters (Continued)

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Revenue recognition</p> <p>The revenue items that the Company generates revenue mainly consists of sales of the manufactured food and canned products. Revenue is recognized in the financial statements when the Company fulfills its performance obligation by transferring control of the promised products to its customers.</p> <p>Revenue is one of the most important indicators in the performance evaluation of the Company. Revenue has significant importance in terms of evaluating the results of the strategies implemented during the year and monitoring the performance.</p> <p>The revenue amounting to TRY 5,751,675,366 which is the largest financial statement item in the statement of profit or loss for the period 1 January - 31 December 2023, has been identified as a key audit matter due to its significance level. Explanations regarding the Company's accounting policies and amounts regarding revenue are included in Notes 2.6 and 19.</p>	<p>During our audit, the following audit procedures were performed for the recognition of revenue:</p> <ul style="list-style-type: none"> Evaluating the conformity of the Company's accounting policies for the recognition of the revenue, Performing tests on the accuracy of customer invoices with the sampling method and checking the accounting of the related contracts within the scope of TFRS 15, "Revenue from Customer Contracts", Evaluating the performance obligations determined by the Company and checking whether the revenue is accounted in accordance with the relevant accounting policies, Testing the revenue items belong to period ending and the beginning of the following period with the sampling method regarding the cut-off of the revenue, Evaluating the adequacy of the notes and explanations for revenue recognition which are explained in Note 2.6 and 19 within the scope of TFRS 15, "Revenue from Customer Contracts" standard, As a result of these procedures on the recognition of revenue, we did not have any significant findings.



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

4. Responsibilities of management and those charged with governance for the financial statements

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

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

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

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

5. Auditor's responsibilities for the audit of the financial statements (Continued)

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8
İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr
Mersis Numaramız: 0-1460-0224-0500015

B) Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

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

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 11 March 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Cihan Harman, SMMM
Independent Auditor

Istanbul, 11 March 2024

Contents

Statement of Financial Position	149
Statement of Profit or Loss	151
Statement of Changes in Equity	152
Statement of Cash Flows	154
Explanatory Notes to the Financial Statements	155

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

Assets	Notes	Audited 31 December 2023	Audited 31 December 2022
Current Assets			
Cash and cash equivalents	4	92.690.398	473.973.523
Trade receivables		1.339.303.013	1.390.628.117
-Trade receivables from related parties	7,28	1.080.225.329	1.178.549.242
-Trade receivables from third parties	7	259.077.684	212.078.875
Other receivables		10.089.613	2.349.699
-Other receivables from third parties	8	10.089.613	2.349.699
Inventories	9	3.076.844.314	4.263.771.716
Prepaid expenses	10	40.698.987	129.623.931
Current income tax assets	24	18.295.362	3.266.735
Other current assets	17	347.471.807	512.597.868
Total Current Assets		4.925.393.494	6.776.211.589
Non-Current Assets			
Other receivables		68.085	112.184
-Other receivables from third parties	8	68.085	112.184
Financial investments	5	33.021.930	17.839.279
Property, plant and equipment	11	1.414.063.216	1.269.572.021
Right of use assets	12	162.549.235	95.163.872
Intangible assets	12	72.317.688	47.607.339
Other non-current assets	17	157.327	-
Total Non-Current Assets		1.682.177.481	1.430.294.695
TOTAL ASSETS		6.607.570.975	8.206.506.284

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

TAT GIDA SANAYİ A.Ş.**STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2023 AND 2022**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

Liabilities		Audited 31 December 2023	Audited 31 December 2022
Short term liabilities			
Short term financial borrowings	6	1.399.950.572	3.152.092.055
Short term leasing borrowings	6	22.938.633	14.419.346
- Leasing borrowings to related parties	26	10.658.504	10.438.404
- Leasing borrowings to third parties		12.280.129	3.980.942
Short term portion of long-term borrowings	6	724.831.517	673.756.899
Trade payables		884.948.760	1.049.239.511
- Trade payables to related parties	7,26	99.843.151	160.060.140
- Trade payables to third parties	7	785.105.609	889.179.371
Employee benefit obligations	16	31.340.043	39.807.837
Other payables		77.954.796	72.856.133
- Other payables from related parties	26	46.077.751	45.995.819
- Other payables from third parties	8	31.877.045	26.860.314
Deferred income	10	41.490.429	88.973.879
Short-term provisions		31.049.262	28.507.776
- Short term provisions for employment benefits	16	10.807.622	5.227.218
- Other short term provisions	14	20.241.640	23.280.558
Total short term liabilities		3.214.504.012	5.119.653.436
Long term liabilities			
Long term financial borrowings	6	865.009.009	246.794.154
Long term leasing borrowings	6	75.407.813	48.300.378
- Long term leasing borrowings to related parties	26	9.455.351	9.009.261
- Long term leasing borrowings to third parties		65.952.462	39.291.117
Long term provisions		64.093.974	77.487.746
- Long term provisions for employment benefits	16	64.093.974	77.487.746
Deferred tax liabilities		31.593.254	110.897.831
Total long term liabilities		1.036.104.050	483.480.109
Total liabilities		4.250.608.062	5.603.133.545
Equity attributable to equity holders of the parent company			
Share capital	18	136.000.000	136.000.000
Inflation adjustment to share capital	18	2.214.468.866	2.214.468.866
Share premiums	18	132.417.651	132.417.651
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		(250.937.949)	(107.397.781)
- Financial assets revaluation reserve	18	(86.720.221)	(100.953.956)
- Losses related to hedging from flow risk		(164.217.728)	(6.443.825)
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss	18	(49.359.022)	(32.733.661)
- Actuarial gains/(losses) in defined benefit plan		(49.359.022)	(32.733.661)
Restricted reserves	18	650.732.064	650.434.493
Previous years' losses		(390.114.400)	(240.460.089)
Net Period Loss		(86,244,297)	(149.356.740)
Total equity		2,356,962,913	2.603.372.739
Total liabilities and equity		6,607,570,975	8.206.506.284

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

TAT GIDA SANAYİ A.Ş.**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
Continuing operations			
Sales	19	5.751.675.366	5.248.584.498
Cost of sales (-)	19	(5.387.864.332)	(4.779.533.703)
Gross profit from continuing operations		363.811.034	469.050.795
Marketing expenses (-)	20	(424.909.030)	(448.918.040)
General administrative expenses (-)	20	(475.846.680)	(395.323.673)
Research and development expenses (-)	20	(15.949.772)	(9.786.401)
Other income from operating activities	21	679.954.802	480.533.546
Other expenses from operating activities (-)	21	(246.999.952)	(307.287.073)
Operating loss		(119.939.598)	(211.730.846)
Income from investing activities	22	10.002.504	5.946.546
Operating profit before finance income/(expense)		(109.937.094)	(205.784.300)
Finance income	23	128.907.008	152.372.911
Finance expense (-)	23	(878.647.338)	(464.401.081)
Financing expenses, net		(749.740.330)	(312.028.170)
Monetary Gain		798,108,734	452,385,834
Profit before tax		(61,568,690)	(65,426,636)
Tax income/(expense)		(24,675,607)	(83,930,104)
- Current tax expense	24	(59.052.608)	(34.115.969)
- Deferred tax income	24	34.377.001	(49.814.135)
Period loss		(86,244,297)	(149,356,740)
Loss per share	25	(0.63)	(1.10)
Other comprehensive income:			
Actuarial gain (loss) of revaluation or classification of investments using equity method	18	14.233.735	(100.953.956)
Expense (income) relating to avoidance of risk of cash flow	18	(157.773.903)	(6.443.825)
Actuarial gains /(losses) on employee benefits	18	(16.625.361)	(32.733.661)
Total other comprehensive expense		(160,165,529)	(140,131,442)
Total comprehensive expense		(246,409,826)	(289,488,182)

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

TAT GIDA SANAYİ A.Ş.**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

	Share Capital	Inflation adjustments to share capital	Accumulated Other Comprehensive Income Reclassified to Profit or Loss			Accumulated Other Comprehensive Income Not to Be Reclassified to Profit or Loss			Net profit for the Period	Retained earning	Total equity
			Share premium	Financial assets revaluation reserve	Hedging related to cash flow risk	Actuarial gain/(losses) in defined benefit plans	Restricted profit reserves				
Balance as at 1 January 2022	136.000.000	2.214.468.866	132.417.651	-	-	-	548.437.989	533.725.095	(547.750.542)	3.017.299.059	
Transfers	-	-	-	-	-	-	101.996.504	(533.725.095)	431.728.591	-	
Total comprehensive income	-	-	-	(100.953.956)	(6.443.825)	(32.733.661)	-	(149.356.740)	-	(289.488.182)	
Dividends (Note 20)	-	-	-	-	-	-	-	-	(124.438.138)	(124.438.138)	
Balance as at 31 December 2022	136.000.000	2.214.468.866	132.417.651	(100.953.956)	(6.443.825)	(32.733.661)	650.434.493	(149.356.740)	(240.460.089)	2.603.372.739	
Balance as at 1 January 2023	136.000.000	2.214.468.866	132.417.651	(100.953.956)	(6.443.825)	(32.733.661)	650.434.493	(149.356.740)	(240.460.089)	2.603.372.739	
Transfers	-	-	-	-	-	-	297.571	(149.356.740)	(149.654.311)	-	
Total comprehensive income	-	-	-	14.233.735	(157.773.903)	(16.625.361)	-	(86.244.297)	-	(246.409.826)	
Balance as at 31 December 2023	136.000.000	2.214.468.866	132.417.651	(86.720.221)	(164.217.728)	(49.359.022)	650.732.064	(86.244.297)	(390.114.400)	2.356.962.913	

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

TAT GIDA SANAYİ A.Ş.**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Period loss	(86,244,297)	(149,356,739)
Adjustments made for reconciliation of period loss/profit:		
Adjustments related to depreciation and amortization expenses	193,909,975	139,296,206
Adjustments related to impairment	29,083,142	(3,445,449)
Adjustments related to impairment of stocks	29,083,142	(3,445,449)
Adjustments related to provisions	(9,676,023)	(2,660,945)
Adjustments related to provision for employee termination benefit	(9,061,265)	7,475,318
Adjustments related to other provisions	(614,758)	(10,136,263)
Adjustments related to gain or loss on sales of property, plant and equipment	(3,146,014)	(350,491)
Adjustments related to income accruals	35,330,885	5,187,241
Adjustments related to increase in fair value of derivatives	-	24,532,409
Adjustments related to tax expense	(59,254,497)	124,448,936
Unrealized foreign exchange loss	178,238,250	12,396,725
Discount expense	(33,098,883)	(42,934,689)
Discount income	2,775,544	81,986,359
Interest income	(59,296,496)	(43,665,816)
Interest expense	752,215,833	373,793,727
Monetary Gain Loss Adjustments	(1,620,451,348)	(559,293,520)
Changes in working capital	(679,613,929)	(40,066,046)
Adjustments related to changes in trade receivables and other receivables	(21,595,741)	(74,873,500)
Adjustments related to changes in due from related parties	103,397,212	(8,138,565)
Adjustments related to changes in inventories	1,157,844,260	(2,226,209,002)
Adjustments related to changes in prepaid expenses	88,924,944	(40,567,763)
Adjustments related to changes in other current and non-current assets	(21,861,879)	(349,084,979)
Adjustments related to changes in trade payables	(106,849,306)	242,139,732
Adjustments related to changes due to related parties	(60,135,057)	41,548,571
Adjustments related to changes in deferred income	(47,483,450)	70,129,142
Adjustments related to changes in other current liabilities	(110,504,053)	(62,174,569)
Cash flows from operating activities	302,123,001	(2,447,296,979)
Employee termination benefits paid	(23,820,078)	(9,038,107)
Taxes refund/(paid)	(38,954,768)	(47,681,836)
Net cash flows (used in)/from operating activities	239,348,155	(2,504,016,922)
Investing activities:		
Property, plant and equipment and intangible asset acquisitions	(299,952,808)	(385,975,505)
Cash generated from sale of property, plant and equipment and intangible assets	3,514,680	2,227,253
Net cash used in investing activities	(296,438,128)	(383,748,252)
Financing activities:		
Cash outflow due to leasing	31,235,446	(23,543,498)
Cash inflows due to loan received	3,753,841,255	4,283,227,654
Cash outflows due to loan received	(3,474,576,501)	(1,010,427,885)
Interest paid	(693,989,848)	(93,777,550)
Interest gained	59,296,496	43,665,816
Dividend paid	-	(124,438,138)
Net cash (used in)/from financing activities	(324,193,152)	3,074,706,399
Net change in cash and cash equivalents	(381,283,125)	186,941,225
Cash and cash equivalents at the beginning of the period	473,973,523	287,032,298
Cash and cash equivalents at the ending of the period	92,690,398	473,973,523

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

TAT GIDA SANAYİ A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE COMPANY

Tat Gıda Sanayi A.Ş. ("Tat Gıda" or "the Company") was established in 1967 with the name Tat Konserve Sanayii A.Ş., 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 Turkish Commercial Code.

The Company has entered the registered capital system with the permission of the Capital Market Board dated 20.08.1992 and numbered 454. The registered capital of the Company is TRY250.000.000 and it is divided into 25.000.000.000 shares each with a nominal value of 1 Kuruş. The permission of the registered share capital ceiling is valid for 5 years between 2021 - 2025 and the Board of Directors has the authority to issue shares above the nominal value and to restrict the rights of the current shareholders.

As of December 31, 2023 The issued capital of the Company is TRY136.000.000 and its parent is Koç Holding A.Ş. Detailed information on the shareholding structure is given in Note 18. There have been changes in the partnership structure in the post-balance sheet period. (Note 31)

The shares of the Company are traded in Borsa İstanbul as of 9 August 1993 and the share in the actual circulation is 41.40%.

The registered head office address of the company is "Taşdelen Mah. Sırrı Çelik Bulvarı No:7 34788 Çekmeköy/İstanbul/Türkiye" The company carries out its production activities in Mustafakemalpaşa/Bursa, Karacabey/Bursa, Torbalı/İzmir.

The domestic marketing and sales activities of the Company are performed mostly by Düzey Tüketim Malları Sanayi Pazarlama A.Ş. ("Düzey"), a Koç Group company; some part of export activities of the Company are performed by Ram Dış Ticaret A.Ş. ("Ram"), a Koç Group company.

As of 31 December 2023 and 31 December 2022, the number of end-of-period, average, permanent and temporary personnel employed within the Company is as follows:

	2023		2022	
	End of Period	Average	End of Period	Average
Permanent Personnel	448	455	484	459
Temporary Personnel	291	524	289	637
Total	739	979	773	1,096

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Principles of measurement

The financial statements of the Company have been prepared in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette dated June 13, 2013 and numbered 28676 by the CMB and are based on Turkish Financial Reporting Standards ("TFRS") and the related appendices and interpretations in accordance with international standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRS are updated through communiqués in order to be in line with the changes in International Financial Reporting Standards ("IFRS").

TFRS are updated through communiqués in order to be in line with the changes in International Financial Reporting Standards ("IFRS").

The financial statements are presented in accordance with the "TFRS taxonomy" published by POA on October 4, 2022 and the formats specified in the Financial Statement Examples and User Guide published by CMB.

The Company maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Joint Ventures operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations in force in the countries in which they operate. The financial statements are based on the statutory records, which are maintained under historical cost convention, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS, except for the financial assets and liabilities which are carried at fair value.

The financial statements have been prepared on the historical cost basis, except for derivative instruments carried at fair value and revaluations arising from differences between the carrying amount and fair value of property, plant and equipment and intangible assets arising from business combinations.

With the decision of CMB dated December 28, 2023 and numbered 81/1820, based on the announcement made by POA on November 23, 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published on November 23, 2023, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ending on December 31, 2023.

As of December 31, 2023, adjustments have been made for changes in the general purchasing power of the Turkish Lira in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflationary Economies"). TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of the purchasing power of that currency at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexation is based on a multiple derived from the Turkish Consumer Price Index published by the Turkish Statistical Institute ("TurkStat"). Since January 1, 2005, the indices and adjustment factors used in the restatement of the financial statements for the current and prior periods are as follows:

Date	Index	Correction Coefficient	3 -Year Combined Inflation Rate
31 December 2023	1.859,38	1,00000	268%
31 December 2022	1.128,45	1,64773	156%
31 December 2021	686,95	2,70672	74%

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basic Principles of Presentation (Continued)

- The main components of the restatement applied by the Company for financial reporting purposes in hyperinflationary economies are as follows:

- TL denominated financial statements for the current period are stated in terms of the purchasing power of the currency at the balance sheet date and the amounts for previous reporting periods are restated in accordance with the purchasing power of the currency at the latest balance sheet date.

- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date.

Where the inflation-adjusted amounts of non- monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.

- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.

- All items in the statements of income and other comprehensive income, except cost of sales, depreciation expense and gain/loss on sale of assets, have been restated by applying the relevant monthly restatement factors. Cost of sales, depreciation expense and gain/loss on sale of assets are recalculated based on the adjusted balance sheet items using the adjustment factors.

- All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the income statement in the net monetary position loss account.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit current at the end of the reporting period. Information disclosed for earlier periods is also presented in the measuring unit current at the end of the reporting period.

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.

Going concern

The Company prepared financial statements in accordance with the going concern assumption.

Foreign Currency

Foreign currency transactions

Transactions in foreign currency are translated at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates at the reporting date. Foreign currency, non-monetary assets and liabilities measured at fair value are converted to the functional currency at the exchange rate at the date when the fair value is determined in foreign currency. Foreign exchange differences arising from rediscount are generally recognized in profit or loss. Non-monetary items measured in terms of foreign currency historical costs are not translated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basic Principles of Presentation (Continued)

Foreign exchange differences arising from the redistribution of the following items are recognized in other comprehensive income:

- Equity instruments recognized under equity, other equity items reflected in other comprehensive income (except for the purpose of impairment, foreign exchange differences recognized in other comprehensive income are reclassified to profit or loss);
- Foreign exchange differences are recognized in profit or loss in the period in which they arise:
- Foreign exchange differences related to the assets that are being constructed for future use and included in the cost of such assets, which are considered as a correction item in the interest costs on the liabilities denominated in a foreign currency,
- Foreign exchange differences arising from transactions with the purpose of providing financial protection against the risks arising from the foreign currency (accounting policies for providing financial protection against risks).

Annual changes in Euro/TRY and USD/TRY exchange rates are as follows at the end of the reporting period:

	31 December 2023	31 December 2022
EUR/TRY	32,5739	19,9349
USD/TRY	29,4382	18,6983

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

The financial statements of the company have been prepared in accordance with TFRS. TFRSs include Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRSs), TMS Comments and Turkey Financial Reporting Standards comprise standards and interpretations published by TAS Reviews, published by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

The attached financial statements prepared based on the Capital Markets Board Notification No II-14.1 published in the Official Gazette dated 13 June 2013 and numbered 28676, the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), which was enacted by Turkey Financial Reporting Standards ("TFRSs") as appropriate. TFRS; includes standards and comments published by the ups under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS comments and TFRS comments.

The financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

Approval of financial statements:

The financial statements prepared as of and for the year ended 31 December 2022 is approved by the Board of Directors on 11 March 2024. General Assembly and other regulatory authorities have the right to restate the legal financial statements, base of the accompanying financial statements, after the financial statements is published.

2.3 Financial Statements of Comparative Information and Restatement of Prior Period

The financial statements of the Company are prepared in comparison with the previous period in order to enable the determination of financial status and performance trends. In accordance with the presentation of the current period financial statements, comparative information is reclassified and significant differences are disclosed.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Changes in significant accounting policies

The accounting policies applied in the financial statements of the company as of 31 December 2023 are the same as the accounting policies applied in the financial statements as of the year ending 31 December 2022.

2.5 New and Revised Accounting Standards

a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **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;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.
- **Amendment to IAS 12 - International tax reform;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 New and Revised Accounting Standards (Continued)

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, the POA's Board Decision published in the Official Gazette dated December 29, 2023 announced that certain entities will be subject to mandatory sustainability reporting as of January 1, 2024.

January 5, 2024 dated "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" for the purpose of Determining the Entities that will be subject to Sustainability Reporting.

The effects of these changes on the financial position and performance of the Company are being evaluated.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies

The accounting policies considered during the preparation of the financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months (Note 4).

Related parties

For the purpose of these financial statements, Koç Holding A.Ş., shareholders, key management personnel and Board members, in each case together with their families and companies, associates and joint ventures controlled by or affiliated with them are considered and referred to as related parties (Note 26).

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down (Note 9).

The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, costs include an appropriate share of production overheads based on normal operating capacity.

Tangible fixed assets

(i) Recognition and measurement

Property, plant and equipment are carried at restated cost less accumulated depreciation and accumulated impairment losses, if any. When property, plant and equipment are disposed of, the related cost and accumulated depreciation are removed from the related accounts and the resulting gain or loss is included in the income statement.

When the parts comprising, tangible fixed assets have different useful lives, they are accounted for as separate parts (significant parts) of the tangible fixed asset.

Gains or losses arising from the disposal of a tangible asset are recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

(ii) Subsequent cost

Subsequent expenditures can only be capitalized in cases where it is possible to transfer the economic benefits that will arise as a result of these expenditures to the Company.

(iii) Amortization

Tangible fixed asset items are subject to depreciation as of the day these assets are completed and ready for use for assets that are currently available or built by the Company. Depreciation is calculated by the straight-line method over the estimated useful lives of these items, after deducting the estimated residual values from the costs of tangible fixed assets. Depreciation is usually recognized in profit or loss unless it is included in the carrying amount of another asset.

Leased assets are depreciated over the shorter of the lease term and the useful life of the leased assets, if the Company will not take ownership of the leased asset with reasonable certainty at the end of the lease. Land is not depreciated.

The estimated useful lives of material fixed asset items in current and comparative periods are as follows:

- Underground and above ground layouts 5 - 30 years
- Buildings 10 - 50 years
- Machinery, plant and devices 3 - 20 years
- Flooring and fixtures 3 - 15 years
- Vehicles 4 - 10 years
- Private costs 4 - 6 years

Depreciation methods, useful lives and residual values are reviewed as of each reporting date and adjusted when necessary.

Intangible fixed assets

The estimated useful lives of material fixed asset items in non - current and comparative periods are as follows:

- Rights 3 - 15 years
- Computer software 5 - 10 years
- Other intangible assets 5 - 10 years

Depreciation methods, useful lives and residual values are reviewed as of each reporting date and adjusted when necessary.

Corporate income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

These types of investments and interest associated with the taxable temporary differences arising from the deferred tax asset in the near future taxable sufficient to obtain profit in the above mentioned differences can be utilized is probable and the future of the differences on the disappearance is probable that the conditions are calculated.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

Government grants

The Company recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognized.

Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, (i) for a financial asset acquired at a discount or premium to its contractual par amount, (ii) a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition (iii).

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see (v) for derivatives designated as hedging instruments.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See Note (v) for financial liabilities designated as hedging instruments.

ii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

iv) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Cash flow hedges (continued)

Company's other derivative financial instruments consist of forward transactions. These derivatives are accounted for as trading derivative financial instruments in the financial statements, since they do not meet the necessary conditions in the relevant standards in terms of protection against financial risk, although they provide an effective protection against risks for the Company economically. Company has determined the estimated fair values of financial instruments using already available market information and appropriate valuation principles.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Capital

The ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Provision for employee termination benefits

Employment termination benefits, represents the present value of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labor Law, employment termination without due cause, call up for military service and death of the employees after at least one year work (Note 18).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Classified assets held for sale and discontinued operations

Instead of continuing to use, the disposal group consisting of fixed assets or assets and liabilities that are likely to be disposed of is classified as being for sale or distribution purposes.

Such assets or disposal group are measured with the lower of their net book value and their fair value less costs to sell. The impairment in the asset group to be disposed of is allocated primarily to goodwill and then, provided that no impairment loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties or biological assets, which are valued in accordance with the Company's accounting policies. It is allocated proportionally to the remaining assets and liabilities. As non-current assets held for sale or distribution, impairment losses on the date of first classification and gains and losses in subsequent measurements are recognized in profit or loss.

Intangible fixed assets and tangible fixed assets are not subject to depreciation or amortization after they are classified as held for sale or distribution. In addition, equity accounting is terminated for investments valued with the equity method.

Provisions, contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial tables and treated as contingent assets or liabilities.

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue from contracts with customers

IFRS 15 requires revenue recognition for all contracts with customers to follow the five-step approach to revenue recognition.

Step 1: Identifying the contract

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved, and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Step 2: Identifying the performance obligations

The Company defines 'performance obligation' as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as:

(a) A performance obligation either a good or service that is distinct;

(b) Or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determining the transaction price

In order to determine the transaction price, the Company assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Company considers variable elements of consideration, as well as the existence of a significant financing component

Significant financing component

The Company revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Company's performance throughout the period, the Company concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

Variable consideration

The Company identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocating the transaction price to performance obligations,

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Step 5: Recognition of revenue

The Company recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The customer controls the asset as the entity creates or enhances it, or
- Company's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Company uses a method that measures the work performed reliably. The Company uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used.

If a performance obligation is not satisfied over time, then the Company recognize revenue at the point in time at which it transfers control of the good or service to the customer.

The Company recognizes a provision in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

Contract changes

If the Company commits to offer additional goods or services, it accepts the contract change as a separate contract. In case of the termination of the existing contract and the creation of a new contract, if the goods or services offered are different, they shall recognize the related changes. If the amendment to the contract does not create separate goods or services, the entity shall, with the first contract, recognize by combining additional goods or services as if it were a part of the initial contract.

Sales of Goods

The revenue items that the Company generates revenue mainly consists of the sales of the manufactured food products to the related party companies. Revenue is recognized in the financial statements when the Company fulfills its performance obligation by transferring control of the promised products to its customers.

Dividend and interest income

Dividend income from equity investments is recognized when the shareholders' right to receive dividends is established (as long as it is possible for the Company to obtain economic benefits and to reliably measure revenue).

Interest income from financial assets is recognized when the Company is expected to obtain economic benefits and that the revenue can be measured reliably.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

As a Lessee (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance income and cost

Finance income is comprised of interest income and foreign exchange gains. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs are comprised of interest expense on borrowings, transaction costs, coupon payments of bond, impairment losses recognized on financial assets (except for trade receivables). Borrowing costs that cannot be matched with acquisition, construction or production of an asset are recognized in profit or loss by using effective interest rate.

Discount, late payment and foreign exchange gains and losses arising from trading transactions are recognized in other operating income and expense.

Time difference financing income/expenses represent income/expenses incurred due to forward purchases and sales. Such income/expenses are considered as financial income and expenses arising from forward purchases and sales within the period and are included in other income and expenses from main activities during the maturity period.

Earnings per share/(loss)

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Summary of Significant Accounting Policies (Continued)

Cash flow statement

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash flows from operating activities reflect cash flows generated from the sales of goods and commodities of the Company. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

Netting/offset

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

2.7 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

NOTE 3 - SEGMENT REPORTING

Primary reporting format - Business segment

The following business segments have been identified based on the products manufactured by the Company. This industrial segment has been determined based on internal reporting to the Company's decision makers.

- Tomato pasta and canned products

In addition to the business segment reporting format, the Company has also evaluated the presentation of revenue for the period on the basis of geographical location of customers. However, since the Company makes the majority of its sales to Düzey Tüketim Malları Sanayi Pazarlama A.Ş. ("Düzey"), the Company has concluded that the geographical location of its operations does not constitute a reportable segment. Since the company management evaluates the operating results and performance over the financial statements prepared in accordance with TFRS, TFRS financial statements are used when preparing the reporting according to the departments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 3 - SEGMENT REPORTING (CONTINUED)

a) Revenue segmental analysis for the year ended 1 January - 31 December 2023 and 2022

	31 December 2023	31 December 2022
Tomato pasta and canned products	5.751.675.366	5.248.584.498
	5.751.675.366	5.248.584.498

b) Segment assets

Assets used in the main activities of a segment and that can be directly associated with that segment or can be allocated reasonably to that segment are defined as segment assets. In line with the company's sales network and organizational structure, tangible and intangible fixed assets are defined as segment assets.

As at 31 December, the recorded amounts of the segment assets according to industrial segments are as follows:

	31 December 2023	31 December 2022
Tomato pasta and canned products	1.414.063.216	1.269.572.021
Assets that cannot be allocated to segments	72.317.688	47.607.339
	1.486.380.904	1.317.179.360

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 analyzed in the basis of industrial segments. As a result, reporting of segment liabilities are not required.

d) Depreciation and amortization and capital expenditures

The depreciation and amortization of the industrial segment assets for the years ended 31 December are as follows:

	31 December 2023	31 December 2022
Depreciation and amortization		
Tomato paste and canned products	124.220.051	103.674.156
Depreciation and amortization charges that cannot be allocated to segments	69.689.924	35.622.050
	193.909.975	139.296.206

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 3 - SEGMENT REPORTING (CONTINUED)

As at 31 December, investment expenditures for the industrial segment assets are as follows:

	31 December 2023	31 December 2022
Investment expenditures		
Tomato pasta and canned products	293.300.789	359.484.258
Investment expenditures that cannot be allocated to segments	137.509.078	66.815.040
	430.809.867	426.299.298

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December are as follows:

	31 December 2023	31 December 2022
Banks	92.690.398	473.973.523
- Time deposit - TRY	18.062.157	344.036.959
- Demand deposit - TRY	1.127.513	66.863.999
- Demand deposit foreign currency	73.500.728	63.072.565
	92.690.398	473.973.523

The maturity date of the time deposit account is January 2, 2024 and the effective annual weighted average interest rate is TRY 40%. (31 December 2022: The maturity of time deposits varies between 2 January 2023 and 27 January 2023, with interest rates of TRY 21.00%, USD 2.60%).

As of 31 December 2023, there is no blockage on cash and cash equivalents. (2022: None)

Explanations on the nature and level of risks in cash and cash equivalents are disclosed in Note 27.

NOTE 5 - FINANCIAL ASSETS

As of 31 December, the details of financial investments are as follows:

	%	31 December 2023	%	31 December 2022
Fair value change reflected in other comprehensive income - equity instruments				
Ram Dış Ticaret A.Ş.	7,5	23.768.800	7,5	15.480.553
Düzey	1,1	8.507.000	1,1	1.880.691
Yapı Kredi Portföy Yönetimi A.Ş.	0,1	738.397	0,1	465.292
Others		7.733		12.743
		33.021.930		17.839.279

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 6 - FINANCIAL BORROWINGS

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

	31 December 2023	31 December 2022
Short-term loans	480.423.349	1.383.774.637
Short term portions of long-term loans	114.492.981	285.671.635
Short-term portions of long-term issued bonds	610.338.536	388.085.264
Short-term issued bonds	919.527.223	1.768.317.418
Short-term leasing liabilities	22.938.633	14.419.346
Total short-term borrowings	2.147.720.722	3.840.268.300
Long-term loans	360.225.003	246.794.154
Long-term issued bonds	504.784.006	-
Long-term leasing liabilities	75.407.813	48.300.378
Total long-term financial borrowings	940.416.822	295.094.532
	3.088.137.544	4.135.362.832

The Company's decision dated 31.12.2023 does not have any pledges or mortgages given for its financial liabilities (31 December 2022: None).

The Company has local currency unsecured loans with fixed interest rates. The details of financial liabilities as at 31 December are as follows:

	The weighted average interest rate	Original amount	31 December 2023 Net book value (TRY)
Short term financial borrowings			
TRY borrowings	24,58%	565.000.000	480.423.349
EUR borrowings	8,52%	15.000.000	114.492.981
Bond issued and bills (*)	42,42%	1.180.000.000	1.529.865.759
			2.124.782.089
Long term financial borrowings			
EUR borrowings	8,62%	15.000.000	360.225.003
Bond issued (*)	33,00%	620.000.000	504.784.006
			865.009.009

(*) Includes coupon interest rates for issued bonds and bills

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 6 - FINANCIAL BORROWINGS (CONTINUED)

	The weighted average interest rate	Original amount	31 December 2022 Net book value (TRY)
Short term financial borrowings			
TRY borrowings	19.10%	1.013.197.956	1.669.446.271
Bond issued and bills (*)	25.73%	1.308.735.014	2.156.402.683
			3.825.848.954
Long term financial borrowings			
EUR borrowings	6,31%	7.500.000	246.794.154
			246.794.154

(*) Includes coupon interest rates for issued bonds and bills

As at 31 December, long-term loans denominated in TRY currency payment plan is as follows:

	31 December 2023	31 December 2022
To be paid on demand or within 1 year	2.124.782.089	3.825.848.954
1-2 years	865.009.009	246.794.154
	2.989.791.098	4.072.643.108

As at 31 December, long-term leasing liabilities payment plan is as follows:

	31 December 2023	31 December 2022
To be paid on demand or within 1 year	22.938.633	14.419.346
1-2 years	14.646.896	7.059.299
2-3 years	9.655.933	7.534.504
3-4 years	8.046.356	4.524.719
4-5 years	9.622.574	4.484.965
More than 5 years	33.436.054	24.696.891
	98.346.446	62.719.724

The cash flow statement of the Company's financing activities is as follows:

	31 December 2023	31 December 2022
Opening balance on 1 January	4.135.362.832	1.156.459.508
<i>Cash transactions</i>		
Cash inflows from credit debts used	3.753.841.255	4.283.227.654
Cash outflow related to loan debt repayments	(3.474.576.501)	(1.010.427.885)
Cash outflow due to leasing	(37.009.331)	(33.266.474)
<i>Non-cash transactions</i>		
Change in interest accrual	44.317.735	280.254.223
Change in foreign exchange	178.238.250	12.396.725
Impact of new lease agreements/contract changes	125.470.497	40.391.810
Monetary Gain/Loss	(1.637.507.193)	(593.672.729)
31 December closing balance	3.088.137.544	4.135.362.832

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 6 - FINANCIAL BORROWINGS (CONTINUED)

Bank loan agreement provisions

The company has signed a foreign currency loan agreement on 9 November 2022. The loan includes commitments on the Net Financial Debt/EBITDA ratio within 2 years. The Company will evaluate the terms of the contract with its 30 June 2024 financial statements.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables

The details of trade receivables are as follows as at 31 December:

	31 December 2023	31 December 2022
Trade receivables from related parties (Note 26)	1.080.225.329	1.178.549.242
Trade receivables	268.686.618	216.614.510
Provisions for doubtful receivables	(9.608.934)	(4.535.635)
	1.339.303.013	1.390.628.117

ŞMovement of provision for doubtful receivables as of 31 December 2023 and 31 December 2022 are as follows:

The nature and level of risk in trade receivables are given in Note 27.

	31 December 2023	31 December 2022
Opening balance	(4.535.635)	(3.894.434)
Provisions made during the year	(6.856.227)	(1.673.764)
Monetary Gain/Loss	1.782.928	1.032.563
	(9.608.934)	(4.535.635)

Trade Payables

As at 31 December, details of trade payables are as follows:

	31 December 2023	31 December 2022
Suppliers	785.105.609	889.179.371
Trade payables to related parties (Note 26)	99.843.151	160.060.140
	884.948.760	1.049.239.511

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

As at 31 December, other receivables and payables are as follows:

Short term other receivables:

Other receivables

	31 December 2023	31 December 2022
Other receivables	10.089.613	2.349.699
	10.089.613	2.349.699

Long term other receivables:

Deposits and guarantees given

	31 December 2023	31 December 2022
Deposits and guarantees given	68.085	112.184
	68.085	112.184

Payables to third parties:

Taxes and funds payable

Other

	31 December 2023	31 December 2022
Taxes and funds payable	31.868.600	26.860.314
Other	8.445	-
	31.877.045	26.860.314

NOTE 9 - INVENTORIES

As at 31 December, details of inventories are as follows:

	31 December 2023	31 December 2022
Raw material	297,498,630	542,831,669
Finished goods	2,722,811,031	3,564,308,242
Work in progress	83,201,620	153,289,929
Other inventory	2,416,175	3,341,876
Inventory impairment	(29,083,142)	-
	3,076,844,314	4,263,771,716

As at 31 December 2023, the provision for inventory impairment is TRY29,083,142 (31 December 2022 None).

As at 31 December 2023, there are no assets pledged as collateral. (31 December 2022: None).

As at 31 December 2023, inventories are insured amounting to TRY2,867,280,680 (31 December 2022: TRY1,733,954,181).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME

As at 31 December, details of prepaid expense and deferred income is as follows:

	31 December 2023	31 December 2022
Short-term prepaid expenses		
Expenses related to future months	28.315.932	65.448.452
Advances given for the purchase of inventory	12.383.055	64.175.479
	40.698.987	129.623.931
	31 December 2023	31 December 2022
Short-term deferred income		
Advances received	41.490.429	88.973.879
	41.490.429	88.973.879

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and depreciation as of 31 December 2023 and 31 December 2022 are as follows:

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost:					
Lands	36.713.508	-	-	-	36.713.508
Underground and overland plants	142.136.474	14.732.499	-	54.370	156.923.343
Buildings	566.894.716	93.250.300	(4.331.048)	5.752.940	661.566.908
Machinery and equipment	3.076.768.351	136.750.353	(35.687.628)	3.219.001	3.181.050.077
Vehicles	14.939.889	129.005	-	-	15.068.894
Furniture and fixtures	311.620.485	10.634.970	(34.707.293)	3.574.388	291.122.550
Special costs	152.907.639	9.564.798	(550.683)	8.680.577	170.602.331
Construction in progress	32.941.474	354.993	-	(24.579.242)	8.717.225
	4.334.922.536	265.416.918	(75.276.652)	(3.297.966)	4.521.764.836

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Accumulated depreciation:					
Underground and overland plants	52.903.732	6.142.968	-	-	59.046.700
Buildings	419.302.885	12.028.597	(5.480.528)	-	425.850.954
Machinery and equipment	2.177.550.337	87.141.195	(37.218.607)	-	2.227.472.925
Vehicles	7.217.287	1.030.406	(53.225)	-	8.194.468
Furniture and fixtures	258.236.611	12.081.776	(37.017.039)	-	233.301.348
Special costs	150.139.663	4.301.064	(605.502)	-	153.835.225
	3.065.350.515	122.726.006	(80.374.901)	-	3.107.701.620
Net book value	1.269.572.021				1.414.063.216

As at 31 December 2023, tangible assets are insured amounting to TRY5,493,815,760 (31 December 2022: TRY2,599,813,000).

As of 2023 and 2022 December, there are no guaranties, hypotecs and and mortgageges on fixed assets

	1 January 2022	Additions	Disposals	Transfers	31 December 2022
Cost:					
Lands	36.713.508	--	--	--	36.713.508
Underground and overland plants	106.564.816	33.589.484	--	1.982.174	142.136.474
Buildings	541.595.683	24.380.100	--	918.933	566.894.716
Machinery and equipment	2.791.100.058	264.248.665	(470.005)	21.889.633	3.076.768.351
Vehicles	8.820.128	7.232.639	(1.112.878)	--	14.939.889
Furniture and fixtures	290.650.031	21.951.544	(1.731.675)	750.585	311.620.485
Special costs	152.155.670	751.969	--	--	152.907.639
Construction in progress	42.317.979	17.775.987	--	(27.152.492)	32.941.474
	3.969.917.873	369.930.388	(3.314.558)	(1.611.167)	4.334.922.536
	1 January 2022	Additions	Disposals	Transfers	31 December 2022
Accumulated depreciation:					
Underground and overland plants	48.982.056	3.921.676	-	-	52.903.732
Buildings	408.483.491	10.819.394	-	-	419.302.885
Machinery and equipment	2.105.918.427	72.101.915	(470.005)	-	2.177.550.337
Vehicles	6.789.199	912.396	(484.308)	-	7.217.287
Furniture and fixtures	249.845.366	8.874.728	(483.483)	-	258.236.611
Special costs	148.471.750	1.667.913	-	-	150.139.663
	2.968.490.289	98.298.022	(1.437.796)	-	3.065.350.515
Net book value	1.001.427.584				1.269.572.021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 12 - INTANGIBLE ASSETS

For the years ended 31 December the movements of intangible assets and related accumulated amortization are as follows:

Costs:	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Rights	100.973.150	34.200.890	(12.336)	3.297.966	138.459.671
Other intangible assets	15.668	335.000	-	-	350.668
	100.988.818	34.535.890	(12.336)	3.297.967	138.810.339
Accumulated depreciation:					
Rights	53.365.811	13.096.974	12.336	-	66.475.121
Other intangible assets	15.668	1.862	-	-	17.530
	53.381.479	13.098.836	12.336	-	66.492.651
Net book value	47.607.339				72.317.688
Costs:					
	1 January 2022	Additions	Disposals	Transfers	31 December 2022
Rights	83.316.866	16.045.117	-	1.611.167	100.973.150
Other intangible assets	15.668	-	-	-	15.668
	83.332.534	16.045.117	-	1.611.167	100.988.818
Accumulated depreciation:					
Rights	45.229.095	8.136.716	-	-	53.365.811
Other intangible assets	15.668	-	-	-	15.668
	45.244.763	8.136.716	-	-	53.381.479
Net book value	38.087.771				47.607.339

As of 31 December 2023, all of the amortization expenses amounting to TRY13,098,836 (2022: TRY8,136,716) have been included in general administrative expenses. With the approval granted by the Ministry of Science, Industry and Technology as of October 6, 2017, the Company's R & D Center started its activities to benefit from incentives and exemptions under the scope of No. 5746. As of 31 December 2023, there is no arrears were capitalized in intangible assets (2022: None).

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 12 - INTANGIBLE ASSETS (CONTINUED)

Right of use assets

Right of use assets as of 31 December 2023 are as follows:

Costs:	1 December 2023	Additions	Disposals (-)	31 December 2023
Buildings	124.594.467	98.229.163	-	222.823.630
Machinery and equipment	-	-	-	-
Vehicles	42.999.374	21.942.973	-	69.942.347
Furniture and fixtures	18.856.648	5.298.360	-	24.155.008
	186.450.489	125.470.496	-	311.920.985
Accumulated depreciation:				
Buildings	51.463.343	42.128.966	-	93.592.309
Machinery and equipment	-	-	-	-
Vehicles	24.544.179	12.657.575	-	37.201.754
Furniture and fixtures	15.279.095	3.298.592	-	18.577.687
	91.286.617	58.085.133	-	149.371.750
Net book value	95.163.872			162.549.235

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 12 - INTANGIBLE ASSETS (CONTINUED)

Right of use assets as of 31 December 2022 are as follows:

Costs:	1 December 2022	Additions	Disposals (-) 31 December 2022	
Buildings	102.594.150	22.000.317	-	124.594.467
Machinery and equipment	-	-	-	-
Vehicles	28.399.451	16.476.514	(1.876.591)	42.999.374
Furniture and fixtures	16.941.668	1.914.980	-	18.856.648
	147.935.269	40.391.811	(1.876.591)	186.450.489

Accumulated depreciation:	1 December 2022	Additions	Disposals (-) 31 December 2022	
Buildings	30.390.808	21.072.535	-	51.463.343
Machinery and equipment	-	-	-	-
Vehicles	18.070.296	8.300.445	(1.826.562)	24.544.179
Furniture and fixtures	11.790.607	3.488.488	-	15.279.095
	60.251.711	32.861.468	(1.826.562)	91.286.617
Net book value	87.683.558			95.163.872

NOTE 13 - GOVERNMENT INCENTIVES AND GRANTS

There are government incentives that allow the company to pay reduced corporate tax for its various investments. Such incentives are evaluated within the scope of TMS 12 "Income Taxes" standard; Deferred tax assets are recognized on the condition that it is highly probable to benefit from this advantage by obtaining taxable profit in the future over the amount of tax advantage.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 14 - COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

As at 31 December, the details of the provisions are as follows:

	31 December 2023	31 December 2022
Provisions		
Provisions for lawsuits	5.989.100	9.294.676
Shipping allowance	5.134.464	264.584
Provision for sales expenses	815.411	7.849.567
Provision for other administrative expenses	709.824	963.272
Other provisions	7.592.841	4.908.459
	20.241.640	23.280.558

The movements of provisions as of years ended 31 December are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Provisions for lawsuits		
Opening balance	9.294.676	6.315.473
Additions during the period	348.100	4.653.676
Monetary Gain/Loss	(3.653.676)	(1.674.473)
	5.989.100	9.294.676

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The details of the guarantees, pledges, mortgages and bails ("TPMB") given by the Company on behalf of the related parties, main shareholder or third parties in the scope of commercial activities or for other purposes are as follows:

	31 December 2023	31 December 2022
A. Total amount of TPMB given on behalf of own legal entity	410.784.495	322.350.722
B. Total amount of TPMBs given in favor of joint ventures	-	-
C. Total amount of TPMB's given to third parties for the purpose of carrying out ordinary commercial activities	-	-
D. Total amount of other TPMBs given	-	-
i) Total amount of TPMB given on behalf of main partner	-	-
ii) Total amount of TPMBs given in favor of other group companies not in the scope of clauses B and C.	-	-
iii) Total amount of TPMB's given in favor of third parties not covered by clause C.	-	-
	410.784.495	322.350.722

The Company has miscellaneous guarantee letters given to tax authorities (related to VAT return receivables), T. İhracat Kredi Bankası A.Ş. and customs which are amounting to TRY410,784,495 (31 December 2022 TRY322,350,722).

The ratio of other TPMB given to the shareholders' equity is 18% as of 31 December 2023 (31 December 2022: 14%).

All guarantees are given by the company are in local currency and there is no any pledges and mortgages given.

NOTE 16 - EMPLOYEE BENEFITS

Short-term employee benefits:

	31 December 2023	31 December 2022
Due to personnel	18.446.073	31.635.301
Social security premium payable	12.893.970	8.172.536
	31.340.043	39.807.837

Short-term provisions for employment benefits:

	31 December 2023	31 December 2022
Provision for unused vacation	10,807,622	5,227,218
	10,807,622	5,227,218

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 16 - EMPLOYEE BENEFITS (CONTINUED)

Long-term employee benefits

Severance pay liability:

Provision for employment termination benefits is recognized in accordance with the following explanations.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause.

completed 25 years of service (20 years for women) and retired (58 years for women and 58 years for men).

60 years of age), called up for military service or deceased. On May 23, 2002, following the amendment of the legislation, certain transitional provisions regarding the period of service before retirement have been removed.

The severance pay liability is not legally subject to any funding and there is no funding requirement.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24.40% and a long-term interest rate of 28.01%, resulting in a real discount rate of approximately 2.90% (December 31, 2022: 0.55%).

The principal assumption is that the maximum liability for each year of service will increase in line with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, As the maximum liability is revised semi-annually, the maximum amount of full TRY35,058.58 (January 1, 2023: full TRY19,982.83) which is effective from January 1, 2024 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

The movement of employment termination provision as of 31 December is presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	77.487.746	28.498.420
Service cost	3.853.339	13.862.826
Interest cost	5.207.926	7.588.704
Paid in the period	(23.820.078)	(9.038.107)
Actuarial gains	20.781.701	40.917.077
Monetary Gain/Loss	(19.416.660)	(4.341.174)
	64.093.974	77.487.746

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 17 - OTHER ASSETS AND LIABILITIES

As at 31 December, other assets and liabilities are as follows:

	31 December 2023	31 December 2022
Other current assets		
VAT transferred	329.272.523	459.609.815
Income accruals	7.817.226	43.148.111
VAT receivables arising from exports	2.763.378	4.756.366
Others	7.618.680	5.083.576
	347.471.807	512.597.868
	31 December 2023	31 December 2022
Other non - current assets:		
Fixed asset advance paid	157.327	-
	157.327	-

NOTE 18 - EQUITY

a) Share capital and capital adjustment differences

The Company's share capital of year 2023 consists of 13,600,000,000 number of shares and there is no preferred stock (2022: 13,600,000,000 number of shares).

As at 31 December 2023 and 2022, the shareholders and paid-in capital with the historical values are as follows:

	%	31 December 2023	%	31 December 2022
Koç Holding A.Ş.	43,7	59.364.947	43,7	59.364.947
Shares publicly open in stock exchange	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.	3,3	4.427.889	3,3	4.427.889
Sumitomo Corporation	1,5	2.077.983	1,5	2.077.983
Others	6,4	8.745.169	6,4	8.745.169
Total Share Capital	100	136.000.000	100	136.000.000
Capital Correction Differences		2.214.468.866		2.214.468.866
Adjusted Capital		2.350.468.866		2.350.468.866

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 18 - EQUITY (CONTINUED)

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 ("CMB") No: 6362 and passed to this system with the permission of the Capital Markets Board ("CMB") 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 of 31 December 2023, capital adjustment differences amounting to TRY2,214,468,866 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 2022: TRY2,214,468,866).

The nominal values and inflation adjustment effects of the following items included in equity accounts in accordance with TFRS and TPL as of December 31, 2023 are as follows:

31 Aralık 2023 (TFRS)	Nominal Value	Inflation adjustment effect	Indexed value
Capital	136,000,000	2,214,468,866	59,364,947
Share premiums	10,107,809	122,309,842	132,417,651
Legal reserves	118,958,083	531,773,981	650,732,064

31 Aralık 2023 (VUK)	Nominal Value	Inflation adjustment effect	Indexed value
Capital	136,000,000	3,074,182,300	3,210,182,300
Share premiums	10,107,809	-	10,107,809
Legal reserves	118,958,083	4,317,984,001	4,436,942,084

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 31 December 2023, the share of the Company's share in the financial statements is TRY132,417,651 (31 December 2022: TRY132,417,651).

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 prepared in accordance with the Tax Procedure Law Company's statutory records and the differences in preparing the financial statements in accordance with TFRS are associated with prior years' profits.

As of 31 December 2023 and 2022, the Company's details of restricted reserves are as follows:

	31 December 2023	31 December 2022
Legal reserves	38.030.659	62.663.117
Special reserves	612.701.405	587.771.376
Total	650.732.064	650.434.493

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 18 - EQUITY (CONTINUED)

Legal Reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Such reserves can be used to take measures suitable for continuing the business or preventing unemployment and mitigating the results only when the losses are not going well, unless the Company's capital exceeds half of the paid 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.

d) Other comprehensive income or expenses not recognized in profit or loss

Defined benefit plans re-measurement gains/(losses):

As of 31 December 2023, actuarial loss amounting to TRY49,359,022 is recognized as other comprehensive income (31 December 2022: actuarial loss amounting to TRY32,733,661).

e) Accumulated other comprehensive income or expenses to be reclassified to profit or loss

Financial asset revaluation and classification gains:

As of 31 December 2023, it consists of revaluation and reclassification gains on financial assets amounting to TRY86,720,221 (31 December 2022: TRY100,953,956).

Losses related to cash flow hedging:

As of 31 December 2023, TRY164,217,728 (31 December 2022: TRY6,443,825).

f) Dividend distribution

The Company does not distribute dividends. (2022:TR124,438,138)

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 19 - SALES AND COST OF SALES

As at 31 December, details of revenue and sales cost are as follows:

	31 December 2023	31 December 2022
Domestic sales	3.863.180.562	3.410.228.149
Foreign sales	1.888.494.804	1.838.356.349
Net sales	5.751.675.366	5.248.584.498
Raw material costs	(4,903,161,790)	(4,975,053,984)
General production expenses	(520,293,633)	(909,700,734)
Labor costs	(260,119,947)	(216,092,258)
Depreciation costs	(114,240,294)	(93,975,575)
Change in inventory	841,497,211	1,775,668,615
Cost of goods sold	(4,956,318,453)	(4,419,153,936)
Trade goods sold	(172,275,964)	(161,710,691)
Other cost of sales	(259,269,915)	(198,669,076)
Cost of sales	(5,387,864,332)	(4,779,533,703)
Gross profit	363.811.034	469.050.795

NOTE 20 - EXPENSES BY NATURE

As at 31 December, details of research and development expenses are as follows:

	31 December 2023	31 December 2022
Research and development expenses:		
Personnel expenses	13.002.492	7.743.233
Depreciation expenses	1.734.629	1.823.001
Other	1.212.651	220.167
	15.949.772	9.786.401

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 20 - EXPENSES BY NATURE (CONTINUED)

As at 31 December, the details of general and administrative expenses are as follows:

	31 December 2023	31 December 2022
Marketing, sales and distribution expenses:		
Shipping and insurance expenses	119.060.401	141.756.298
Personnel expenses	111.451.562	80.938.766
Advertising expenses	54.394.560	93.074.275
Export expenses	46.240.674	48.835.373
Sales support expenses	26.040.807	21.337.296
Subcontracting expenses	21.600.483	14.951.457
Action, sale, incentive and gondola participation costs	12.464.364	31.261.597
Other	33.656.179	16.762.978
	424.909.030	448.918.040

As at 31 December, the details of general and administrative expenses are as follows:

	31 December 2023	31 December 2022
General and administrative expenses:		
Personnel expenses	182.084.954	132.600.484
Consultancy and lawsuit expenses	78.520.788	106.426.403
Depreciation and amortization	77.935.053	43.497.631
Information technology expenses	35.913.855	33.598.390
Severance expense	29.149.168	21.964.239
Administrative expenses	26.050.864	24.693.373
Tax and duties expenses	12.438.962	4.754.683
Transport, travel expenses	10.853.823	9.498.621
Repair and maintenance expenses	4.485.889	2.682.235
Other	18.413.323	15.607.614
	475,846,680	395,323,673

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 21 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

As at 31 December, details of other income and profits from operating activities are as follows:

	31 December 2023	31 December 2022
Other Operating Income		
Term differences interest income from trading activities	403.358.890	392.598.875
Foreign exchange gain on trading activities	235.958.956	66.844.098
Others	40.636.956	21.090.573
	679.954.802	480.533.546

As at 31 December, details of other expenses and losses from operating activities are as follows:

	31 December 2023	31 December 2022
Other Operating Expense		
Term differences interest expense of trading activities	154.179.448	261.502.712
Foreign exchange loss on trading activities	61.842.900	41.373.826
Expenses due from provisions of lawsuit and others	6.905.487	2.362.972
Others	24.072.117	2.047.563
	246.999.952	307.287.073

NOTE 22 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

As at 31 December, investment income and profits from operations is as follows:

	31 December 2023	31 December 2022
Income from Investing Activities		
Dividend income	5.491.368	4.132.415
Gain on sale of property, plant and equipment	3.146.014	350.491
Rent income	1.365.122	1.463.640
	10.002.504	5.946.546

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 23 - FINANCIAL INCOME AND EXPENSES

As at 31 December, financial incomes are as follows:

	31 December 2023	31 December 2022
Foreign exchange gains	69.610.512	108.707.095
Interest income on bank deposits	59.296.496	43.665.816
	128.907.008	152.372.911

The financial expenses for the years ended 31 December are as follows:

	31 December 2022	31 December 2021
Bond interest expense	567.554.464	185.262.013
Bank loans interest expenses	196.591.191	177.538.304
Foreign exchange expenses	37.436.626	70.092.614
Leasing liabilities interest expenses	19.803.199	12.728.692
Other	57.261.858	18.779.458
	878.647.338	464.401.081

NOTE 24 - TAX ASSESTS AND LIABILITIES

	1 January - 31 December 2023	1 January - 31 December 2022
Deferred tax expense	34.377.001	(49.814.135)
Current tax expense	(30.368.790)	(27.995.894)
Other	(28.683.818)	(6.120.075)
Total tax expense	(24.675.607)	(83.930.104)

	31 December 2023	31 December 2022
Current tax (asset)/liability		
Prepaid taxes and funds (-)	(42.221.503)	(31.262.629)
Current corporate tax provision	23.926.141	27.995.894
	(18.295.362)	(3.266.735)

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 24 - TAX ASSESTS AND LIABILITIES (CONTINUED)

Corporate Tax

Corporate Tax Law No. 5520 dated June 13, 2006 was published in the Official Gazette dated June 21, 2006. Many provisions of the new Corporate Tax Law No. 5520 entered into force as of January 1, 2006. Article 21 of the Law No. 7456 "Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375" sets the corporate tax rate as 25%. In this context, the corporate tax rate applied to 2023 earnings is 25% for 2023 (2022: 23%). Corporate tax is payable at a rate of 25% on the total income of the Company after adjusting for certain disallowable expenses and deducting certain exemptions and allowances for tax purposes. Losses can be carried forward to offset against future taxable income, subject to the conditions stipulated in the Law, up to a maximum of Can be carried forward for 5 years. However, losses cannot be deducted retrospectively from the profits of previous years.

In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax is declared until the evening of the last day of the fourth month following the close of the accounting period and paid within the same period.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

Investment Incentive Certificate dated 03.05.2018 and numbered 136922 has been obtained for the modernization investment of İzmir Torbalı Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

Investment Incentive Certificate dated 24.04.2018 and numbered 136771 has been obtained for the modernization investment of our Bursa Karacabey Canned Plant. VAT and Customs Duty Exemption are applied for investments made under the document.

Investment Incentive Certificate dated 26.03.2020 and numbered 509964 has been obtained for the modernization investment of Bursa Mustafakemalpaşa Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer's Share support is applied for the investments made under the document.

Investment Incentive Certificate dated 11.03.2021 and numbered 521238 has been obtained for the modernization investment of Bursa Karacabey Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

Investment Incentive Certificate dated 10.03.2021 and numbered 521171 has been obtained for the modernization investment of İzmir Torbalı Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 24 - TAX ASSETS AND LIABILITIES (CONTINUED)

Deferred Tax:

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

The breakdown of total temporary differences and deferred tax assets and liabilities using current tax rates as of 31 December is as follows:

	31 December 2023	31 December 2022
Deferred tax liabilities/(assets):		
Difference between tax base and carrying value of inventories	(58.264.656)	(33.812.452)
Maturity difference	33.434.844	25.972.695
Severance pay liability	16.023.494	11.370.245
Provision for litigation expenses	1.497.275	1.858.935
Sales expense provisions	203.853	1.569.914
Right of use assets and liabilities, net	(16.050.697)	(6.488.643)
Provision for unused vacation	2.701.905	1.045.444
Difference between tax base and carry value of property, plant and equipment	(15.153.960)	(107.794.182)
Other	4.014.688	(4.619.787)
	(31.593.254)	(110.897.831)

Movement of the deferred tax for the years ended 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023	31 December 2022
Deferred tax assets movements:		
Opening balance as of 1 January	(110.897.831)	(70.379.002)
Deferred tax income	34.377.001	49.814.135
Recognized directly in equity	44.927.577	9.289.401
	(31.593.254)	(110.897.831)

Total charge for the year can be reconciled to the accounting profit as follows:

	31 December 2023	31 December 2022
The reconciliation of tax:		
Period profit from continuing operations	(61,568,690)	(65,426,636)
Effective tax rate	20%	23%
Current period tax expense	12,313,738	15,048,126
Tax effect:		
- Tax effect of nondeductible expenses	(11,801,177)	(9,981,310)
- Tax effect of government incentives and grants	7,763,377	82,144,543
- Monetary Gain/Loss	(36,219,970)	(186,090,939)
- Other	3,268,424	14,949,475
Tax provision expense on income statement	(24,675,607)	(83,930,104)

Tax deductions arising from investment incentive certificates, production and export earnings have been provided and the Company's effective tax rate is considered as 20% (2022: 23%).

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 25 - EARNINGS PER SHARE

As at 31 December, earnings/(loss) calculation of per common and diluted share of main companies stakeholders is as follow:

	31 December 2023	31 December 2022
Net profit of the period for continuing operations	(86,244,297)	(149,356,740)
Average number of shares available during the period	136,000,000	136,000,000
Earnings per common and diluted share due from continuing operations	(0.64)	(1.10)
Loss per common and diluted share	(0.64)	(1.10)

NOTE 26 - RELATED PARTY TRANSACTIONS

i) As at 31 December, the details of receivables and payables from related parties are as follows:

a) Bank deposits:

	31 December 2023	31 December 2022
Yapı ve Kredi Bankası A.Ş.		
Time Deposits	74.426.708	124.095.751
	74.426.708	124.095.751

b) Receivables from related parties:

	31 December 2023	31 December 2022
Düzey (*)	1.010.732.463	1.023.533.446
Ram Dış Ticaret A.Ş. (**)	69.355.758	154.886.458
Other	137.108	129.338
	1.080.225.329	1.178.549.242

(*) Domestic sales and marketing activities of the Company are operated by Düzey which is a member of Koç Group.

(**) The Company carries out some of its export activities abroad through Ram Dış Ticaret, a Koç Group company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 26 - RELATED PARTY TRANSACTIONS (CONTINUED)

c) Payables to related parties:

	31 December 2023	31 December 2022
Zer Merkezi Hizmetler ve Ticaret A.Ş. (*)	47.324.034	82.889.119
Yapı Kredi Bankası A.Ş.	21.129.018	22.770.599
Ram Sigorta Aracılık Hizmetleri A.Ş.	15.925.042	198.021
Koç Sistem A.Ş.	8.988.565	19.803.118
Otokoç Otomotiv Tic.ve San.A.Ş.	1.873.438	2.041.568
Ingage Dijital Pazarlama A.Ş.	1.142.439	2.889.703
Ram Dış Ticaret A.Ş.	845.786	9.804.100
Ark İnşaat San ve Tic. A.Ş.	422.395	6.373.304
Eltek Elektrik Enerjisi İthalat İhracat	315.147	6.644.034
Setur Servis Turistik A.Ş.	344.567	1.529.917
Koç Holding Emekli ve Yardım Sandığı	194.788	731.003
Koç Digital Çözümler A.Ş.	-	2.799.004
Other	1.337.932	1.586.650
	99.843.151	160.060.140
Other Payables		
Koç Holding A.Ş.	46.077.751	45.995.819
Total trade and other payables	145.920.902	206.055.959

(*) The Company, obtains, media and packaging services from Zer Merkezi Hizmetler ve Ticaret A.Ş.

	31 December 2023	31 December 2022
Leasing borrowings		
Otokoç Otomotiv Tic.ve San.A.Ş.	20.113.855	14.216.033
Temel Ticaret Yatırım A.Ş.	-	5.231.632
Total leasing borrowings	20.113.855	19.447.665

	31 December 2023	31 December 2022
Financial liabilities		
Yapı ve Kredi Bankası A.Ş.	-	32.954.000
Total financial liabilities	-	32.954.000

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 26 - RELATED PARTY TRANSACTIONS (CONTINUED)

iii) As at 31 December, the details of significant sales to related parties and purchases from related parties are as follows:

a) Net sales to related parties:

	31 December 2023	31 December 2022
Düzey (*)	3.455.378.225	3.035.314.673
Ram Dış Ticaret A.Ş.	485.722.745	461.300.214
Zer Merkezi Hizmetler ve Ticaret A.Ş.	1.789.688	648.530
	3.942.890.658	3.497.263.417

(*) Domestic sales and marketing activities of the Company are operated by Düzey, which is a member of Koç Group. Average maturity for the sales to Düzey is 90 days (2022: 90 days).

b) Purchases from related parties:

	31 December 2023	31 December 2022
Zer Merkezi Hizmetler ve Ticaret A.Ş. (*)	117.615.448	217.613.111
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	78.137.410	155.086.115
Opet Petrolcülük A.Ş.	11.854.590	7.115.824
Ark İnşaat San ve Tic. A.Ş.	8.616.367	9.854.717
Koç Sistem A.Ş.	6.982.746	12.178.511
Opet Fuchs Madeni Yağ. San ve Tic. A.Ş.	60.391	69.921
Others	108.346	2.062.128
	223.375.298	403.980.327

(*) The Company, obtains, media and packaging services from Zer Merkezi Hizmetler ve Ticaret A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 26 - RELATED PARTY TRANSACTIONS (CONTINUED)

iii) As at 31 December, the details of significant sales to related parties and purchases from related parties are as follows:

c) Service purchases from related parties:

	31 December 2023	31 December 2022
Zer Merkezi Hizmetler ve Ticaret A.Ş. (***)	179.737.573	173.236.834
Koç Holding A.Ş. (**)	75.662.750	97.879.973
Düzey	38.546.048	46.161.909
Ram Sigorta Aracılık Hizmetleri A.Ş. (*)	32.413.660	3.182.414
Koç Sistem A.Ş.	32.372.826	24.474.657
Ram Dış Ticaret A.Ş.	22.062.547	8.400.942
Otokoç Otomotiv Tic. ve San. A.Ş.	16.617.369	11.842.669
Setur Servis Turistik A.Ş.	8.579.060	9.807.615
Temel Ticaret ve Yatırım A.Ş.	7.417.080	6.567.985
Ingage Dijital Pazarlama A.Ş.	6.853.121	14.080.043
Others	7.926.771	3.781.643
	428.188.805	399.416.684

(*) Amount represents accrued premium amount as at 31 December, which has been resulted from insurance policies signed with third party insurance companies with the intermediary of Ram Sigorta Aracılık Hizmetleri A.Ş.

(**) The amount contains finance, legal consultancy, planning, tax consultancy, senior management service costs invoiced by the Company's parent company "Koç Holding A.Ş." 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, obtains logistic, media and packaging services from Zer Merkezi Hizmetler ve Ticaret A.Ş.

iii) As at 31 December, the details of financial income and expenses from/to related parties are as follows:

a) Interest income:

	31 December 2023	31 December 2022
Yapı ve Kredi Bankası A.Ş.	89.965	2.008.825
	89.965	2.008.825

b) Interest expense:

	31 December 2022	31 December 2021
Yapı ve Kredi Bankası A.Ş.	4.741.331	7.627.398
	4.741.331	7.627.398

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 26 - RELATED PARTY TRANSACTIONS (CONTINUED)

iv) As at 31 December, the details of significant sales to related parties and purchases from related parties are as follows:

a) Rental payments:

	31 December 2023	31 December 2022
Temel Ticaret ve Yatırım A.Ş.	9.977.802	6.951.646
Otokoç Otomotiv Tic.Ve San.A.Ş.	4.811.385	5.547.206
	14.789.187	12.498.852

b) Payments made to members of the Board of Directors and senior management personnel

Senior executives of Tat Gıda are determined as the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly affiliated with the General Manager. For the 12-month period ended December 31, 2023; the total of benefits provided to Tat Gıda's senior executives is TRY71,113,222 (31 December 2022: TRY59,476,682). All of the payments are short-term in nature and do not include separation payments.

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The company aims to increase its profits by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its activities in capital management the Company's capital risk consists of short-term and long-term financial liabilities disclosed in Note 6, cash and cash equivalents disclosed in Note 4 and equity items disclosed in Note 18.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or rearrange capital structure, the Company can return back capital to shareholders, issue new shares and sale assets in order to decrease debt requirement.

The Company controls its capital using the net debt/total capital ratio. This ratio is the calculated as net debt divided by the total capital amount. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing, trade payables and payables to related parties as presented in the balance sheet) less cash and cash equivalents. Total capital is calculated as shareholders' equity plus the net debt amount as presented in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December the debt to equity ratio is as follows:

	31 December 2023	31 December 2022
Total Liabilities (Note 6)	3.088.137.544	4.135.362.833
Less: Cash and cash equivalents (Note 4)	(92.690.398)	(473.973.523)
Net Debt	2.995.447.146	3.661.389.309
Total Equity	2.356.962.913	2.603.372.739
Net Liability/Equity	1.2709	1,4064

b) Financial Risk Factors

The risks of the Company, resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's risk management program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Company. The Company uses derivative financial instruments in order to safeguard itself from different financial risks.

Risk management is implemented by finance department according to the policies approved by Board of Directors. The Company's finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. The written procedures are formed by Board of Directors to manage the foreign currency risk, interest risk, credit risk, use of derivative and non-derivative financial instruments and the assessment of excess liquidity.

There are not any changes in financial risk factors and credit risk management of the Company as compared to previous year.

b.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 A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

31 December 2023	Trade Receivables					
	Related Party	Third Party	Related Party	Third Party	Deposit in Banks	Derivatives
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	1.080.225.329	259.077.684	-	10.157.699	92.690.398	-
- The portion of the maximum risk guaranteed by collateral	1.250.033	28.725.308	-	-	-	-
A. Net book value of financial assets not overdue or impaired	777.774.201	129.468.261	-	10.157.699	92.690.398	-
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	302.451.128	129.609.423	-	-	-	-
- Collateral, etc. secured part	1.250.033	7.676.570	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	9.608.934	-	-	-	-
- Impairment (-)	-	(9.608.934)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

31 December 2022	Ticari Alacaklar					
	Related Party	Third Party	Related Party	Third Party	Deposit in Banks	Derivatives
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	1.178.549.242	212.078.875	-	2.461.883	473.973.523	-
- The portion of the maximum risk guaranteed by collateral	146.212.655	10.866.585	-	-	-	-
A. Net book value of financial assets not overdue or impaired	1.018.277.063	38.750.718	-	2.461.883	473.973.523	-
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	160.272.179	173.328.157	-	-	-	-
- Collateral, etc. secured part	-	76.926.002	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	4.535.635	-	-	-	-
- Impairment (-)	-	(4.535.635)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2023	Trade Receivables	Other Receivables	Deposits in Banks	Others
Past due 1-30 days	239.519.399	-	-	-
Past due 1-3 months	184.687.252	-	-	-
Past due 3-12 months	7.853.900	-	-	-
Total past due receivables	432.060.551	-	-	-

31 December 2022	Trade Receivables	Other Receivables	Deposits in Banks	Others
Past due 1-30 days	306.732.520	-	-	-
Past due 1-3 months	4.882.440	-	-	-
Past due 3-12 months	21.985.376	-	-	-
Total past due receivables	333.600.336	-	-	-

As of 31 December, letter of guarantees held for the trade receivables that are past due as but not provision booked is as follows:

	2023	2022
	Nominal Value	Nominal Value
The part under guarantee with collateral	8.926.603	76.926.002

b.2) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the board of directors. The board of directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table presents the maturity of Company's non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non - derivative financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

TAT GIDA SANAYİ A.Ş. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2023	Carrying value	Total cash outflows in accordance with contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Contractual maturity analysis						
Non-derivative financial liabilities						
Bank borrowings and issued bonds	2.989.791.098	2.769.911.875	-	1.660.422.875	1.109.489.000	-
Trade payables	785.105.609	785.105.609	785.105.609	-	-	-
Trade payables to related parties	99.843.151	99.843.151	99.843.151	-	-	-
Derivative financial liabilities						
Derivative instruments liabilities	-	-	-	-	-	-
Total liabilities	3.874.739.858	3.654.860.635	884.948.760	1.660.422.875	1.109.489.000	-

31 December 2022	Carrying value	Total cash outflows in accordance with contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Contractual maturity analysis						
Non-derivative financial liabilities						
Bank borrowings and issued bonds	4.072.643.108	4.117.325.369	1.000.856.523	3.103.332.558	13.136.288	-
Trade payables	889.179.371	889.179.371	889.179.371	-	-	-
Trade payables to related parties	160.060.140	160.060.140	160.060.140	-	-	-
Derivative financial liabilities						
Derivative instruments liabilities	-	-	-	-	-	-
Total liabilities	5.121.882.619	5.166.564.880	2.050.096.034	3.103.332.558	13.136.288	-

b.3) Market risk management

The Company's activities expose it to a variety of financial risks including foreign currency risk and interest rate risk as explained below. The Company uses derivative financial instruments to hedge certain risk exposures in order to manage foreign currency and interest rate risks. Market risk exposures are also measured by sensitivity analysis and stress scenarios.

There has been no change in the Company's exposure to market risks or the manner which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

b.4) Foreign currency risk management

Transactions in foreign currencies cause foreign currency risk. Currency risk is managed by foreign currency purchase/sale contracts based on the approved policies.

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

31 December 2023	TRY Equivalent	USD	EUR	Others
1. Trade receivables	485.026.349	4.914.304	10.448.797	-
2.a Monetary financial assets	74.314.728	27.652	2.256.430	-
2.b Non - monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	559.341.077	4.941.956	12.705.227	-
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. NON - CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	559.341.077	4.941.956	12.705.227	-
10. Trade payables	59.158.545	899.655	999.815	-
11. Financial liabilities	-	-	-	-
12.a Other monetary liabilities	560.838	19.017	-	-
12.b Other non - monetary financial liabilities	49.838.873	1.693.000	-	-
13. CURRENT LIABILITIES	109.558.256	2.611.672	999.815	-
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	15.154.577	-
16.a Other monetary liabilities	1.172.887	39.771	-	-
16.b Other non - monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	495.706.148	39.771	15.154.577	-
18. TOTAL LIABILITIES	605.264.404	2.651.443	16.154.392	-
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	(45.923.327)	2.290.513	(3.449.165)	-
21. Net foreign currency asset/liability position of non-monetary items (1+2a+6a-10-12a-12b-14-15-16b)	448.609.934	2.290.513	11.705.412	-
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial Risk Factors (Continued)

31 December 2022	TRY Equivalent	USD	EUR	Others
1. Trade receivables	319.350.870	11.485.255	5.246.476	363
2.a Monetary financial assets	154.837.921	4.907.684	3.163.927	-
2.b Non - monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	474.188.792	16.392.939	8.410.402	363
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. NON - CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	474.188.792	16.392.939	8.410.402	363
10. Trade payables	167.032.381	6.072.052	2.668.431	-
11. Financial liabilities	246.350.510	13.151.319	-	-
12.a Other monetary liabilities	1.060.260	56.602	-	-
12.b Other non - monetary financial liabilities	18.215.754	974.193	-	-
13. CURRENT LIABILITIES	432.658.905	20.254.166	2.668.431	-
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16.a Other monetary liabilities	2.049.625	109.418	-	-
16.b Other non - monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	2.049.625	109.419	-	-
18. TOTAL LIABILITIES	434.708.531	20.363.585	2.668.430	-
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	39.480.261	(3.970.646)	5.741.972	363
21. Net foreign currency asset/liability position of non-monetary items (1+2a+6a-10-12a-12b-14-15-16b)	285.830.772	9.180.674	5.741.972	363
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-

Currency risk sensitivity

The Company is mainly exposed to foreign currency risk in USD and EUR.

The following table details the Company's sensitivity to a 20% increase and decrease in the USD, GBP 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/

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

loss and other equity.

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2023	
	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	13.485.716	(13.485.716)
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	13.485.716	(13.485.716)
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - EUR net asset/liability	(22.470.551)	22.470.551
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	(22.470.551)	22.470.551
In the case of appreciation of GBP at 20% ratio compared to TRY		
7 - GBP net asset/liability	-	-
8 - Part of hedged from GBP risk (-)	-	-
9 - GBP net effect	-	-
TOTAL	(8.984.835)	8.984.835
	31 December 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	(14.848.862)	14.848.862
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	(14.848.862)	14.848.862
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - EUR net asset/liability	22.893.128	(22.893.128)
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	22.893.128	(22.893.128)
In the case of appreciation of GBP at 20% ratio compared to TRY		
7 - GBP net asset/liability	1.633	(1.633)
8 - Part of hedged from GBP risk (-)	-	-
9 - GBP net effect	1.633	(1.633)

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk management

Borrowing the Company at fixed interest rates exposes the Company to interest rate risk.

Interest-sensitive financial instruments are as follows:

	Interest Position Table	
	31 December 2023	31 December 2022
Fixed Rate Instruments		
Financial Assets	18.062.157	344.036.959
Financial Liabilities	3.088.137.544	4.135.362.832

DİPNOT 30 - HEDGE ACCOUNTING FOR HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK

The Company provides hedging against the foreign exchange risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future within the scope of the agreements it has made and the corporate budget.

In this context, repayments of foreign currency borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

Within the scope of the currency risk management strategy it has determined, the Company applies hedge accounting for the purpose of hedging the currency risk component of the highly probable estimated transaction cash flow risk, and the foreign exchange rate that has occurred on the hedging instrument, whose effectiveness has been mathematically proven in accordance with TFRS 9, has not yet been realized. It pulls the fluctuations from the income statement and parks it in the comprehensive income statement and aims to present a healthier income statement..

The Company pays attention to maintain a 100% hedging ratio and a hedging efficiency between 80% and 150% within the scope of the hedge accounting it has established, and as of 30 December 2023, the hedging efficiency has been calculated as 82,7%-149,9%. (31 December 2022:%101,6)

	USD	
	31 December 2023	31 December 2022
The present value of the hedged item (current portion)	-	2.660.077
The present value of the hedged item (non-current portion)	17.458.755	9.897.872
Hedging instrument present value (non-current portion)	15.000.000	12.357.750
	TRY	
	31 December 2023	31 December 2022
Cumulative exchange difference on the hedged item (current portion)	-	1.733.838
Cumulative exchange difference on the hedged item (non-current portion)	211.326.481	6.451.434
Cumulative exchange difference on the hedging instrument (non-current portion)	186.350.250	8.054.781
Hedging effectiveness rate	82,7%-149,9%	101,6%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 29 - FINANCIAL INSTRUMENTS

Financial instruments classification and fair value

	Book Value		Fair Value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial Assets				
Cash and cash equivalents	92.690.398	473.973.523	92.690.398	473.973.523
Trade receivables	259.077.684	212.078.874	259.077.684	212.078.874
Receivables from related parties	1.080.225.329	1.178.549.242	1.080.225.329	1.178.549.242
Other financial assets	20.692.921	17.839.279	-	-
Financial Liabilities				
Loan and borrowings	3.088.137.544	4.135.362.832	3.088.137.544	4.135.362.832
Trade payables	785.105.609	889.179.371	785.105.609	889.179.371
Payables to related parties	99.843.151	160.060.140	99.843.151	160.060.140

Estimated fair values of financial instruments have been determined by the Company by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

Carrying values of cash and cash equivalents and trade receivables are assumed to reflect their fair values due to their short-term nature.

Financial liabilities

Fair values of short-term borrowings and trade payables are assumed to approximate their carrying values due to their short-term nature.

Bank borrowings are measured at their amortized cost. It is estimated that the borrowings' fair values approximate to their carrying values.

The fair value of financial assets and financial liabilities are determined as follows:

- 1) First level: Financial assets and liabilities in active markets for identical assets and liabilities are valued at the quoted prices.
- 2) Second level: Financial assets and liabilities and the related assets or liabilities other than quoted prices in first level directly or indirectly observable market prices are used to determine valuation.
- 3) Third level: Financial assets and liabilities, assets or liabilities that are used in determining the fair value observed in the market valuation is based on the data.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 29 - FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value of Financial Instruments

The fair values of the financial assets and liabilities classification level are as follows:

31 December 2023	Level of fair value as of reporting date		
	1st Level TRY	2nd Level TRY	3rd Level TRY
Financial assets	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	20.692.921
Derivative instruments	-	-	-
Total	-	-	20.692.921
Financial liabilities	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	-
Total	-	-	-

31 December 2022	Level of fair value as of reporting date		
	1st Level TRY	1st Level TRY	1st Level TRY
Financial assets	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	17.839.279
Derivative instruments	-	-	-
Total	-	-	17.839.279
Financial liabilities	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	-
Total	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

NOTE 30 - DISCLOSURE OF FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR OR AUDITOR'S

	31 December 2023	31 December 2022
	Company Independent Audit Firm	Company Independent Audit Firm
Independent audit fee for the reporting period		
- Statutory and voluntary independent audit services (including interim periods)	637,500	846,259
Fees for tax advisory services	565,000	576,695
Total	1,202,500	1,422,954

NOTE 31 - SUBSEQUENT EVENTS

a) With the Board of Directors decision 2024/01 dated January 30, 2024, all of its 1.1% shares in Düzey Tüketim Malları Sanayi Pazarlama ve Ticaret A.Ş. ("Düzey"), amounting to 6,479,770 shares with a nominal value of TRY 64,797.70, for a total cash consideration of TRY 8,507,000.00 (eight million five hundred and seven thousand Turkish Liras), and all of its 7.5% shares in Ram Dış Ticaret A.Ş. ("Ram"), amounting to 44,999,932 shares with a nominal value of TRY 449,999.32, for a total cash consideration of TRY 23,768,800.00 (twenty twenty million five hundred and seven thousand Turkish Liras). ("Ram") for a total cash consideration of TRY 23,768,800.00 (twenty three million seven hundred sixty eight thousand eight hundred Turkish Lira), and a share transfer and assignment deed ("Share Transfer and Assignment Deed") has been signed for this purpose.

b) With the Board of Directors decision 2024/03 dated February 19, 2024, Koç Holding A.Ş., one of the shareholders of the Company, has acquired shares with a nominal value of TRY 59,364,947.16; Vehbi Koç Foundation has acquired shares with a nominal value of TRY 1,487,987.56; Koç Holding Retirement and Support Fund Foundation has acquired shares with a nominal value of TL 1,427,231.37; Mustafa Rahmi Koç has acquired shares with a nominal value of TRY 1,222,282.68 nominal value shares; Yıldırım Ali Koç shares with a nominal value of TRY 478,048.22; İpek Kırarç shares with a nominal value of TRY 1,062,987.42; Caroline Nicole Koç shares with a nominal value of TRY 119,512.05; Esra Çiğdem Koç shares with a nominal value of TRY 179,268.07; Aylin Elif Koç shares with a nominal value of TRY 179,268.07 nominal value shares; İnan Kırarç TRY 354,329.14 nominal value shares; Rahmi M. Koç and Mahdumları Maden İnşaat Turizm Ulaştırma Yatırım ve Ticaret A.Ş. TRY 242,268.46 nominal value shares; Arçelik A.Ş. TRY 466,800.26 nominal value shares and Aygaz A.Ş. TRY 108.922.00 nominal value shares to Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi ("Memişoğlu") on February 19, 2024 in accordance with the Share Purchase and Sale Agreement dated January 08, 2024 signed between the related parties, free of any kind of encumbrances.

c) On February 19, 2024, Semahat Sevim Arsel, Mustafa Rahmi Koç, Mehmet Ömer Koç, Yıldırım Ali Koç and Caroline Nicole Koç, members of the Company's Board of Directors, resigned from the Board of Directors following the sale of shares corresponding to 49.04% of the Company's capital owned by Koç Holding, Koç Group companies, Koç Family Members, Koç Group related foundations to Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi. With the decision of the Company's Board of Directors dated February 19, 2024, Şerafettin Memiş, Veysel Memiş, Giyasettin Memiş, Nasip Memiş and Tuncer Memiş were appointed to the vacant board memberships, subject to the approval of the first general assembly to be convened and to serve until the first general assembly. Şerafettin Memiş will serve as the Chairman of the Board of Directors and Veysel Memiş will serve as the Vice Chairman of the Board of Directors. In addition, the Company's Board of Directors elected Tuncer Memiş as a member of the Risk Management Committee, which became vacant due to Caroline Nicole Koç's resignation from the Board of Directors.

e) Within the scope of the issuance limit approved by the decision of the Capital Markets Board dated December 21, 2023 and numbered 80/1739, the issue amount was finalized as TRY 232,250,000 and the interest rate was finalized as 51% per annum with a total issuance amount of TRY 232,250,000 and the interest rate was finalized as TRY 232,250,000 with a total issuance amount of TRY 232,250,000 and the interest rate was finalized as TRY 232,250,000 and the sale was completed on March 6, 2024. The settlement of the transaction was realized on March 8, 2024. Yapı Kredi Yatırım Menkul Değerler A.Ş. acted as an intermediary in the transaction.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023.)

Contact

HEAD OFFICE

Taşdelen Mahallesi.
Sırrı Çelik Bulvarı No:7
Çekmeköy / İstanbul
T: 0216 430 00 00
www.tatgida.com

Linkedin:

<https://www.linkedin.com/company/tatgida/>

Instagram:

<https://www.instagram.com/tatgidakurumsal/>

MANUFACTURING PLANTS

Tat Mustafakemalpaşa

Vehbi Koç Bulvarı, Tatkavaklı Mahallesi, No:10 16500
Mustafakemalpaşa / Bursa
T: 0224 618 06 00

Tat Karacabey

Tavşanlı mahallesi Camandıra Mevkii No:7/1 16700
Karacabey/ Bursa
T: 0224 676 15 64

Tat Torbalı

Subaşı Mahallesi 219. Sokak No: 1 Torbalı / İzmir
T: 0232 868 53 83
www.tat.com.tr

TAT IN DIGITAL MEDIA

Youtube: <https://www.youtube.com/c/TatAilesi>

Instagram: https://www.instagram.com/tat_ailesi/

Instagram: <https://www.instagram.com/tatsoslar/>

Facebook: <https://www.facebook.com/TatAilesi>

Facebook: <https://www.facebook.com/tatsoslar/>

Twitter: <https://twitter.com/tatailesi>

Tiktok: <https://www.tiktok.com/@tatailesi>

REPORTING PERIOD

01.01.2023 – 31.12.2023

TITLE

Tat Gıda Sanayi A.Ş.

TRADE REGISTRY NO

İstanbul Ticaret Sicili 96638

AUTHORIZED CAPITAL

TL 250,000,000

PAID-IN CAPITAL

TL 136,000,000

This Annual Report ("Report"), including the Board of Directors' Report about the operations and financials of 2023, Auditors' Report, Financial Statements and the Independent Audit Report, was prepared in compliance with the legal regulations in force, to be presented to the Ordinary General Assembly of Tat Gıda Sanayi A.Ş. (Company) to take place on the 25.04.2024 at 14.00 in Divan Hotel İstanbul, Elmadağ at the address Asker Ocağı Caddesi No. 1, 34367 Şişli, İstanbul. 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.

