

**TAT GIDA SANAYİ A.Ş.**  
**JANUARY 01 – JUNE 30, 2024 INTERIM OPERATING REPORT**



**TAT GIDA SANAYİ A.Ş.**  
**January 01, 2024 – June 30, 2024**  
**Interim Operating Report**

SEPTEMBER 3, 2024

**TAT GIDA SANAYİ A.Ş.**  
**JANUARY 01 – JUNE 30, 2024 INTERIM OPERATING REPORT**

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## **I. INTRODUCTION**

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

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

<b>Reporting Period:</b>	01.01.2024 – 30.06.2024
<b>Company Name:</b>	Tat Gıda Sanayi A.Ş.
<b>Trade Registry Office / Number:</b>	İstanbul / 96638
<b>Mersis No:</b>	0830003899000011
<b>Tax Office:</b>	İSTANBUL - Büyük Mükellefler Vergi Dairesi Başkanlığı
<b>Tax No:</b>	8300038990
<b>Address:</b>	Taşdelen Mah. Sırrı Çelik Bulvarı No: 7 Çekmeköy/İstanbul
<b>Internet Address:</b>	<a href="http://www.tatgida.com">www.tatgida.com</a>

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

#### **Capital:**

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

#### **Shareholder Structure:**

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

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

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

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

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

The Company's shareholders and their ownership shares in capital as of June 30, 2024 and December 31, 2023 are as follows:

**June 30, 2024**

**December 31, 2023**

<b>Trade Name of Shareholder</b>	<b>Amount of Share (TL)</b>	<b>Share (%)</b>	<b>Trade Name of Shareholder</b>	<b>Amount of Share (TL)</b>	<b>Share (%)</b>
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	66,693,852.45	49.04	Koç Holding A.Ş.	59,364,947	43.65
Kagome Co Ltd.	5,071,168.20	3.73	Kagome Co Ltd.	5,071,168.20	3.73
Sumitomo Corp.	2,077,983.34	1.53	Sumitomo Corp.	2,077,983.34	1.53
Other	5,844,152.01	4.30	Temel Ticaret ve Yatırım A.Ş.	4,427,889	3.26
Float	56,312,844.00	41.41	Other	8,745,169	6.42
			Float	56,312,844.00	41.41
<b>TOTAL</b>	<b>136,000,000.00</b>	<b>100.00</b>	<b>TOTAL</b>	<b>136,000,000.00</b>	<b>100.00</b>

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

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

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

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

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

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

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

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

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

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

#### **Audit Committee**

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

#### **Corporate Governance Committee**

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

\* Deputy General Manager of Financial Affairs and Finance Başak Tekin Özden has resigned as of June 14, 2024.

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

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

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## 5. Senior Management

The changes in the Senior Management in charge of execution since January 1, 2024, until the reporting period are as follows:

On May 8, 2024; Information Technologies Director Onur Bahadır has resigned and Çiğdem Şahin was appointed as Information Technologies and Project Management Director.

On May 23, 2024; Human Resources Director Tülay Demir has resigned and Fatma Gül İlme was appointed as Human Resources Director.

On June 14, 2024; General Manager Evren Albaş and Deputy General Manager of Financial Affairs and Finance Başak Tekin Özden have resigned. Veysel Memiş, Deputy Chairman of the Board of Directors of the Company, has been appointed as General Manager. <https://www.kap.org.tr/en/Bildirim/1299661>

As of June 30, 2024, the Senior Management of the Company is composed of the executives below:

Name - Surname	Duty	Education	Graduation Year	Professional Experience (years)
Veysel Memiş	General Manager	İstanbul University, Business Administration	2009	15 Years
Ahmet Boz*	Assistant General Manager, Plant Operations, R&D and Technology	İTÜ, Department of Industrial Engineering MBA at Koç Uni.	2006 2017	18 Years
Esra Süzme	Assistant General Manager, Marketing	Boğaziçi University, Business Administration MBA at Maryland Uni.	1997 1999	25 Years
Hakan Turan	Assistant General Manager, Trade and Operation	İTÜ Department of Mechanical Engineering MS at Boğaziçi Uni.	1987 1990	34 Years
Çiğdem Şahin	Information Technologies and Project Management Director	Galatasaray Uni, Department of Industrial Engineering	2002	22 Years
Fatma Gül İlme	Human Resources Director	İstanbul University, Industrial Engineering Masters in Business Engineering at İTÜ	2011 2017	13 Years

\* Ahmet Boz, has resigned as of July 12, 2024 and Ali Onur was appointed as the Deputy General Manager in charge of Plant Operations.

## 6. Payments Made to the Senior Management

Tat Gıda's senior executives have been determined as the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly reporting to the General Manager. As of June 30, 2024, the total amount of total benefits provided to Tat Gıda's senior executives is TL74,354,026 (June 30, 2023: TL23,018,789). Of this, TL2,519,362 (June 30, 2023: TL0) relates to the payments made due to resignation, while the remaining portion consists of short-term benefits.

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## 7. Employees

The number of personnel employed within the Company as of June 30, 2024 and June 30, 2023 are as follows:

	January 1 – June 30, 2024		January 1 – June 30, 2023	
	Period End	Average	Period End	Average
Permanent Personnel	440	438	454	460
Temporary Personnel	592	369	413	341
<b>Total</b>	<b>1,032</b>	<b>807</b>	<b>867</b>	<b>801</b>

### Severance Liability:

The severance liability of the Company as of June 30, 2024 is TL72,492,907. (June 30, 2023: TL56,994,382).

## 8. Branches

None.

## II. EVALUATION REGARDING OPERATIONS

### 1. Tat Gıda Operations

#### Production Facilities and Their Capacities:

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

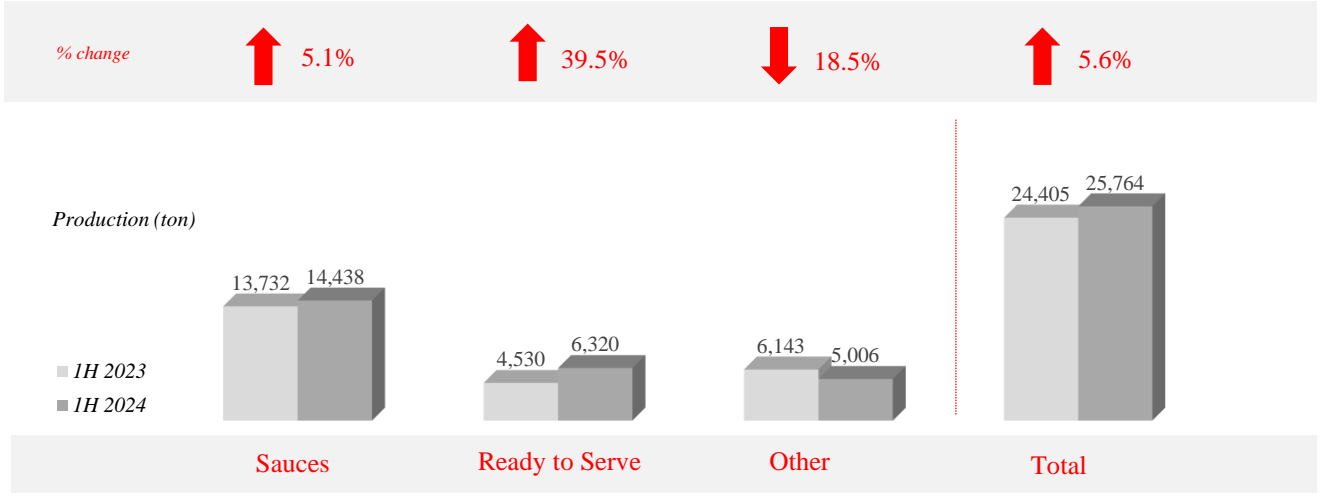
Production Capacity	Tons / Units
Tomato Processing (tons/day)	2,800 (Mustafa Kemal Paşa); 5,450 (Karacabey); 2,900 (Torbali)
PET (sauce) filling (units/year)	75 million (To increase to 120 million units by the mid of 2025)
Ready to Serve (units/day)	180,000 (To increase to 230,000 units by the mid of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

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

#### Production:

Production is mainly realized in the third quarter due to seasonality. In the second quarter of the year, production increased by 355.9% compared to the previous year, reaching 3,688 tons in the Ready to Serve category, including the supply for the World Food Programme (WFP), which started this year. Meanwhile, in the Sauces category, production was in line with the previous year at 6,252 tons, and in Other products, it decreased by 21.3% to 4,210 tons. As a result, Tat Gıda's production in the period of January 1 - June 30, 2024, increased by 5.6% compared to the previous year, reaching 25,764 tons.

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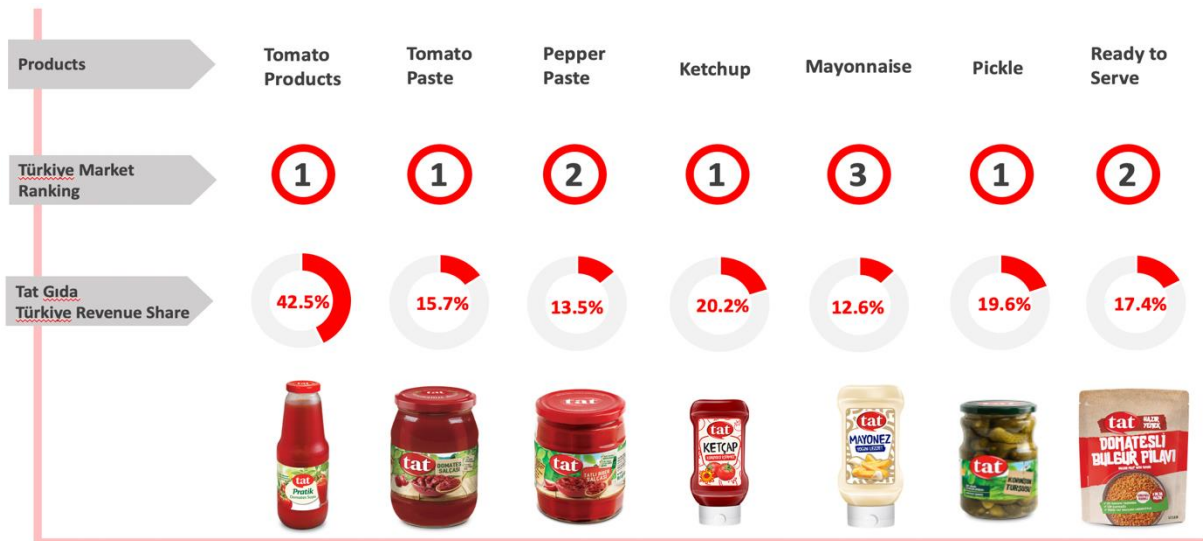


**Sales:**

In the second quarter of 2024, Tat Gıda’s total sales volume increased by 14.7% compared to 2Q 2023. During the same period, domestic net sales decreased by 33.0% to TL800.2 million, while total net sales declined by 21.5% to TL1,395.1 million.

In the second quarter, price-focused competition persisted in the domestic market, particularly in the tomato products and tomato paste categories. In line with its profitability-focused strategy, Tat Gıda responded to the competition with reasonable actions. Notably; activities targeting supermarkets and discount markets in the Tomato Paste category, resulted in the highest market share in June over the past three years.

Amidst the price-focused competitive environment, Tat Gıda is focused on growth in value-added categories and in maintaining its strong brand position; by supporting the product portfolio newly launched in the second quarter of the year in the Ready to Serve product group through communication and distribution channels, and by expanding the Mayonnaise product group with seasoned mayonnaise options in line with consumer trends.



\* Market shares are based on Nielsen 1H 2024 Report (Pickles & Ready to Serve Food category data are based on Scantrack); including Hard Discounters and share of sales on (TL) basis.

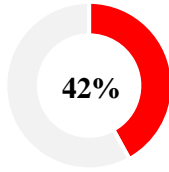


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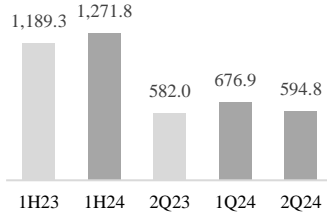
While the price pressure in international markets persists since the beginning of 2024 due to the increase in tomato supply in China, Tat Gıda tries to balance the demand pressure in industrial products by focusing on private-label products. As a result, the Company's export revenues increased by 2.2% in 2Q 2024, reaching TL594.8 million (USD17.3 million; a 6.2% increase). During the same period, the share of exports in total sales rose to 43% (2Q 2023: 33%).

In the first half of 2024, the Company's total sales volume increased by 9.5%, while net sales decreased by 21.2% to TL3,064.9 million during the same period. In the first six months, domestic sales contracted by 33.6% to TL1,793.2 million, while exports increased by 7.0% to TL1,271.8 million (USD37.2 million; a 12.0% increase). In the same period, exports accounted for 42% of total sales (1H 2023: 31%).

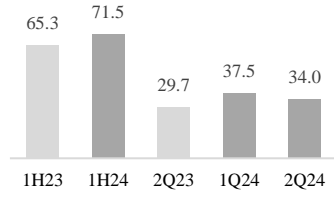
**Share of Exports (%)**



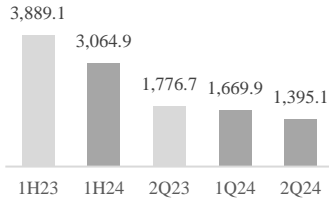
**Export Revenues (TL mln)**



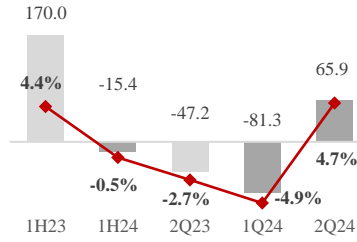
**Total Sales Ton (000)**



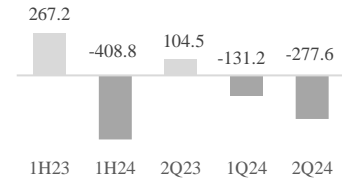
**Total Revenues (TL mln)**



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



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



In 2024, the share of *Cost of Sales* in revenues decreased by 9.9 p.p. compared to 2Q 2023, and by 2.6 p.p. compared to 1Q 2024; reaching 91.3% due to elevating weight of export sales, which have higher profitability. However, as a result of the decline in total net sales, the Company's *Gross Profit* in 1H 2024 decreased by 26.9% year-on-year, amounting to TL224.1 million (1H 2023 *Gross Profit*: TL306.7 million).

Focus on profitability maintained across Operating Expenses. In 2Q 2024, the share of Marketing Expenses in revenues remained similar at previous year's level of 7.6% - while - as a result of the actions taken; the Tomato Paste category achieved the highest market share of the past three years in June, reaching 28.5%. General Administrative Expenses decreased due to lower personnel and consultancy costs, and Other Income From Operating Activities due to the exchange rate differences arising from commercial activities. As a result of declining revenues during the same period, the Company recorded an *Operating Loss* of TL4.5 million in 2Q 2024 (2Q 2023: TL74.5 million *Operating Loss*); *EBITDA* of TL65.9 million and an *EBITDA Margin* of 4.7% (2Q 2023 *EBITDA*: -TL47.2 million; *EBITDA Margin*: -2.7%). In 1H 2024, the Company recorded an *EBITDA* of -TL15.4 million and an *EBITDA Margin* of -0.5% (1H 2023 *EBITDA*: TL170.0 million; *EBITDA Margin*: 4.4%).

In addition to investments; on the back of increasing financing need in the last quarter of the year due to seasonality, Tat Gıda's *Net Financial Debt* excluding leasing liabilities, slid to TL2,452.7 million as of June 30, 2024, from TL3,613.6 million as of December 31, 2023, to As of June 30, 2024; 27% of the Company's total Short and Long Term financial debt was composed of TL denominated loans, and 56% were bonds issued. *Net Financing Expenses* increased by 25.0% compared to 1H 2023, reaching TL548.2

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million with rising interest rates. (1Q 2024: TL277.4 million Net Financial Expenses; 2Q 2024: TL270.8 million Net Financial Expenses).

As a result of indexation effect applied subsequent transition to the inflation accounting, a *Monetary Loss* of TL10.0 million was recorded in 2Q 2024, while a *Monetary Gain* of TL276.4 million was recorded in the 1H 2024. (2Q 2023: TL327.3 million Monetary Gain; 1H 2023: TL589.3 million Monetary Gain)

Ultimately, Tat Gıda recorded a *Net Loss* of TL277.6 million in 2Q 2024 and TL408.8 million in 1H 2024. (2Q 2023: TL104.5 million Net Profit; 1H 2023: TL267.2 million Net Profit)

### **3. Investment**

The total amount of investment realized as of June 30, 2024 is TL99,452,781. (June 30, 2023: TL97.088.381)

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

The R&D Center focuses on topics including sustainable agriculture, sustainable food value chains, creating healthy, nutrient-rich meals, practical products and reducing waste and packaging. At the Center, a team of 18 people consisting of 14 engineers, 3 technicians, and 1 support personnel work, who are food engineers, chemical engineers, material engineers, metallurgy engineers, and food technicians, and all are experts in their fields. The Center carries out studies to use innovative farming technologies, digitalization, and green energy in agriculture and the industry, in addition to create nutritious, practical products. Furthermore, the Center engages in projects such as alternative proteins that are currently on the world agenda, turning food waste into value-added products, and reducing the use of packaging. As a result of projects carried out, new products were offered in the ready-to-eat food and sauce categories, in addition to launch of new packaging for doypack ready meals, and stickpack sauces. In 2024, the Center focuses on alternative proteins through the ProxIMed project, while also carries out research on green energy within the context of SolarHub, PV4Plants, and S-ATP projects. The total amount of R&D expenses realized as of June 30, 2024 is TL29,975,975 (June 30, 2023: TL14,098,196)

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

The amount of donations and aid made to various social organizations as of June 30, 2024 is TL1,658,087 (June 30, 2023: TL4,333,960)

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

The sale transaction of financial bond with ISIN Code TRFTATK72418, 90-day maturity having 60.5% fixed interest coupon payment at the end of maturity with the redemption date on July 7, 2024, to be sold to local qualified investors without public offering has been completed on April 2, 2024 by Garanti Yatırım Menkul Kıymetler A.Ş. The final issuance amount was realized at TL580,000,000, within the issuance limit approved by the Capital Markets Board's decision dated December 21, 2023 and numbered 80/1739. Settlement date for the issuance was April 3, 2024.

The coupon payment and redemption payment of the financial bill with the ISIN code TRFTATK42429 has been made on April 3, 2024.

The coupon payment and redemption payment of the financial bill with the ISIN code TRFTATK42437 has been made on April 15, 2024.

The coupon payment and redemption payment of the financial bill with the ISIN code TRFTATK42411 has been made on April 17, 2024.

The coupon payment and redemption payment of the financial bond with the ISIN code TRSTATK52413 has been made on May 17, 2024.

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

Tat Gıda's market capitalization was TL4,596,800,000 based on the closing value of TL33.80 of its shares on January 2, 2024. Market capitalization came in at TL3,492,480,000 based on the closing value of TL25.68 of its shares as of the last trading date on June 28, 2024.

## **8. Other Developments Disclosed on PDP Between 1 April – 30 June**

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

April 5, 2024: 2023 Financial Result Announcement

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

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

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

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

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

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

April 25, 2024: Announcements disclosed regarding General Assembly Meeting

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

Announcement regarding General Assembly decision not to distribute dividends

<https://www.kap.org.tr/en/Bildirim/1277284>

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

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

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

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

May 24, 2024: 1Q 2024 Financial Result Announcement

Statement of Responsibility: <https://www.kap.org.tr/en/Bildirim/1290915>

Financial Report: <https://www.kap.org.tr/en/Bildirim/1290913>

Interim Report: <https://www.kap.org.tr/en/Bildirim/1290914>

June 4, 2024: Announcement regarding the resignation of Sertaç Semiz Boz, the Investor Relations Officer <https://www.kap.org.tr/en/Bildirim/1294028>

June 4, 2024: Announcement regarding the registration of General Assembly Resolutions <https://www.kap.org.tr/en/Bildirim/1294030>

June 4, 2024: Announcement regarding the registration of the Independent Audit Company and its announcement on the Turkish Trade Registry Gazette <https://www.kap.org.tr/en/Bildirim/1294032>

June 12, 2024: Announcement regarding the appointment of Cengiz Balcı as the Investor Relations Officer <https://www.kap.org.tr/en/Bildirim/1298630>

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

July 2, 2024: The completion of the sale transaction of financial bond with ISIN Code TRFTATKA2415, the issuance of which has started on July 1, 2024 <https://www.kap.org.tr/en/Bildirim/1304247>

July 2, 2024: Announcement regarding coupon and redemption payment of the financial bill with the ISIN code TRFTATK72418 <https://www.kap.org.tr/en/Bildirim/1304661>

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July 12, 20224: Announcement regarding the resignation of Ahmet Boz, the Deputy General Manager in charge of Plant Operations, R&D and Technology <https://www.kap.org.tr/en/Bildirim/1312398>

August 9, 2024: Announcement regarding the increase of the Company's issued capital from TL136,000,000 to TL244,800,000 by 80% (TL108,800,000) to be fully paid in cash (rights issue) <https://www.kap.org.tr/en/Bildirim/1323631>

August 14, 2024: Announcement regarding the submission of the prospectus prepared to the approval of the Capital Markets Board in order for the issuance and public offering of shares with a nominal value of TL 108.800.000 <https://www.kap.org.tr/en/Bildirim/1325079>

August 14, 2024: Announcement regarding the Report on the Utilization of the Funds Obtained from the Paid-in Capital Increase <https://www.kap.org.tr/en/Bildirim/1325082>

August 14, 2024: Announcement regarding the application to the Capital Markets Board for the approval of prospectus prepared in order for the issuance and public offering of shares with a nominal value of TL 108.800.000 <https://www.kap.org.tr/tr/Bildirim/1325083>

September 2, 2024: The completion of the sale transaction of financial bond with ISIN Code TRFTATK42510, the issuance of which has started on August 29, 2024 <https://www.kap.org.tr/en/Bildirim/1329144>

September 2, 2024: Announcement regarding the coupon payment of the bond with ISIN code TRSTATK32514 on September 2, 2024 <https://www.kap.org.tr/en/Bildirim/1329298>

### III. INFORMATION REGARDING FINANCIAL STRUCTURE

#### 1. Summary Financial Tables

Summary Balance Sheet (TL)	Jan 1 – June 30, 2024	Jan 1 – June 30, 2023	Change
Current Assets	4,619,934,499	6,143,443,305	-24.8%
Non Current Assets	2,033,964,107	2,098,179,972	-3.1%
Total Assets	6,653,898,606	8,241,623,277	-19.3%
Short Term Liabilities	3,484,334,870	4,009,450,854	-13.1%
Long Term Liabilities	561,953,854	1,292,332,582	-56.5%
Total Liabilities	4,046,288,724	5,301,783,436	-23.7%
Total Equity	2,607,609,882	2,939,839,841	-11.3%
<b>Net Financial Debt / (Cash)<sup>1</sup></b>	<b>2,452,672,707</b>	<b>3,613,553,703</b>	<b>-32.1%</b>

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

Summary Income Statement (TL)	Jan 1 – June 30, 2024	Jan 1 – June 30, 2023	Change
Sales	3,064,947,267	3,889,139,073	-21.2%
Gross Profit	224,053,749	306,689,094	-26.9%
Operational Expenses (-)	-511,058,815	-552,175,408	-7.4%
Other Income / (Loss) from Operating Activities, net	175,305,395	353,199,905	-50.4%
<b>Operating Income / (Loss)</b>	<b>-111,699,671</b>	<b>107,713,591</b>	<b>n.m.</b>
Income / (Loss) from Investing Activities, net	7,425,721	8,417,828	-11.8%
Financing Income / (Loss), net	-548,181,669	-438,530,175	25.0%
Monetary Gain /(Loss)	276,423,470	589,328,322	-53.1%
Tax Income / (Loss)	-32,791,176	291,258	n.m.
<b>Net Profit for the Period</b>	<b>-408,823,325</b>	<b>267,220,824</b>	<b>n.m.</b>

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<b>Other Financial Data</b>	<b>Jan 1 – June 30, 2024</b>	<b>Jan 1 – June 30, 2023</b>	<b>Change</b>
Amortization	96,256,841	62,264,113	54.6%
Investment	99,452,781	97,088,381	2.4%
<b>Earnings Before Interest, Tax, Amortization (EBITDA)<sup>2</sup></b>	<b>-15,442,830</b>	<b>169,977,704</b>	<b>n.m.</b>

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

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

In 1H 2024, the Company's Net Financial Debt improved compared to 2023 year end.

<b>Financial Ratios</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Current Ratio	2.68	3.52
Liquidity Ratio	0.17	0.04
Current Assets / Total Assets	0.69	0.75
Net Financial Debt / Total Equity	0.94	1.23
Short Term Liabilities /Total Liabilities	0.86	0.76

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

Tat Gıda has performed in line with expectations in the 2Q 2024.

## **4. Capital Adequacy**

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

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

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

# **IV. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE**

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

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

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been applied, and following analyses of the administrative, legal, and technical infrastructure of the Company, it will consider applying them to contribute to its efficient management.

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

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

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

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

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

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

Tat Gıda monitors the best practices in terms of sustainability, including Capital Markets Board's (CMB) Sustainability Principles and performs its activities with the aim of ensuring compliance to these best practices. Many of the issues stated in the Sustainability Principles enacted by CMB in 2020 overlap with the principles of Tat Gıda's sustainability strategy. Within this framework, Tat Gıda Sanayi A.Ş. complies with many of the voluntary principles mentioned in Sustainability Principles enacted by CMB with a "comply-or-explain" approach. However, full compliance is not yet achieved for reasons such as the difficulties in implementation of some principles, the uncertainties in this area in both local and global arena, the mismatch between some of the principles and the company structure, the intention to design the compliance structure based on the outcome of ongoing studies, etc. For the principles where the Company currently does not fully comply with, it is intended to ensure full compliance after the review of the global best practices and the completion of technical infrastructure and data collection analysis throughout the Company with the purpose of supporting its efforts to create value in a sustainable manner.

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

## **VI. OTHER INFORMATION**

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

**I) 2023 Annual Report:**

[Tat Gıda 2023 Annual Report](#)

**II) 2023 Sustainability Report:**

[Tat Gıda 2022 Sustainability Report](#)

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

[Financial Reports](#)



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**DISCLAIMER**

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

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