

TAT GIDA SANAYİ ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AS AT AND
FOR THE SIX MONTH PERIOD ENDED 30 June 2024
WITH INDEPENDENT AUDITORS REPORT**

TAT GIDA SANAYİ ANONİM ŞİRKETİ

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TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2024.)

ASSETS	Notes	Reviewed 30 June 2024	Audited 31 December 2023
Current assets			
Cash and cash equivalents		437,375,510	115,612,733
Trade receivables		1,414,380,291	1,670,512,649
- Trade receivables from related parties	4.16	99,187,993	1,347,365,053
- Trade receivables from third parties	4	1,315,192,298	323,147,596
Other receivables		8,253,786	12,584,774
- From third parties		8,253,786	12,584,774
Inventories	5	2,022,384,896	3,837,747,913
Current tax assets		407,360,541	50,763,846
Prepaid expenses		-	22,819,805
Other current assets	15	330,179,475	433,401,585
Total current asset		4,619,934,499	6,143,443,305
Non-current assets			
Other receivables		68,085	84,923
- Other receivables from third parties		68,085	84,923
Financial investments		1,955,601	41,188,253
Property, plant and equipment	6	1,760,900,112	1,763,761,049
Right of use assets		180,357,968	202,747,661
Intangible assets		90,682,341	90,201,852
Other non-current assets	15	-	196,234
Total non-current assets		2,033,964,107	2,098,179,972
Total asset		6,653,898,606	8,241,623,277

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

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

LIABILITIES	Notes	Reviewed 30 June 2024	Audited 31 December 2023
Short term liabilities			
Short-term financial borrowings	3	1,721,089,493	1,746,158,348
Short-term financial lease liabilities	3	26,084,452	28,611,357
- <i>Short-term financial lease liabilities due from related parties</i>		4,190,220	13,294,352
- <i>Short-term financial lease liabilities due from other parties</i>		21,894,232	15,317,005
Short-term portion of long-term borrowings	3	817,923,583	904,082,351
Trade payables		629,732,359	1,103,796,588
- <i>Trade payables to related parties</i>	4.16	1,785,100	124,534,362
- <i>Trade payables to third parties</i>	4	627,947,259	979,262,226
Employee benefit obligations		46,211,583	39,090,436
Other payables		161,155,528	97,233,017
- <i>Other payables from related parties</i>	16	147,572,500	57,472,779
- <i>Other payables from third parties</i>		13,583,028	39,760,238
Deferred income		9,597,266	51,751,012
Short-term provisions		72,540,606	38,727,745
- <i>For employment benefits</i>		13,029,102	13,480,347
- <i>Other</i>		59,511,504	25,247,398
Total short-term liabilities		3,484,334,870	4,009,450,854
Long term liabilities			
Long-term financial borrowings	3	351,035,141	1,078,925,737
Long-term lease liabilities	3	66,228,364	94,056,165
- <i>Long-term lease liabilities due from related parties</i>	16	-	11,793,659
- <i>Long-term lease liabilities due from other parties</i>		66,228,364	82,262,506
Deferred tax liabilities		72,197,442	39,406,266
Long-term provisions		72,492,907	79,944,414
- <i>For employment benefits</i>		72,492,907	79,944,414
Total long-term liabilities		561,953,854	1,292,332,582
Total liabilities		4,046,288,724	5,301,783,436
EQUITY			
Share capital	8	136,000,000	136,000,000
Inflation adjustment to share capital	8	2,414,177,792	2,795,739,817
Share premiums/discounts	8	-	165,164,536
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		(216,943,943)	(312,994,904)
- <i>Financial assets revaluation reserve</i>		-	(108,166,132)
- <i>Fair value change - losses on cash flow hedges through other comprehensive income</i>		(216,943,943)	(204,828,772)
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(81,023,103)	(61,565,508)
- <i>Actuarial losses in defined benefit plan</i>		(81,023,103)	(61,565,508)
Restricted reserves	8	764,222,461	811,658,103
Retained earnings		-	(486,589,691)
Net Period Loss		(408,823,325)	(107,572,512)
Equity attributable to equity holders of the parent company		2,607,609,882	2,939,839,841
Total equity		2,607,609,882	2,939,839,841
Total liabilities and equity		6,653,898,606	8,241,623,277

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

		Reviewed	Reviewed	Not Reviewed	Not Reviewed
	Notes	1 January- 30 June 2024	1 January - 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Profit or Loss					
Sales	9	3,064,947,267	3,889,139,073	1,395,051,395	1,776,742,235
Cost of sales (-)	9	(2,840,893,518)	(3,582,449,979)	(1,273,417,115)	(1,798,481,662)
Gross profit		224,053,749	306,689,094	121,634,280	(21,739,427)
Marketing expenses (-)	10	(262,753,499)	(266,607,747)	(106,657,251)	(136,608,828)
Administrative expenses (-)	10	(236,057,347)	(278,244,986)	(94,586,994)	(147,655,368)
Research and development expenses (-)	10	(12,247,969)	(7,322,675)	(6,572,978)	(4,047,133)
Other income from operating activities	11	263,383,107	493,022,649	121,117,246	285,668,679
Other expenses from operating activities (-)	11	(88,077,712)	(139,822,744)	(39,429,738)	(50,118,596)
Operating loss		(111,699,671)	107,713,591	(4,495,435)	(74,500,673)
Income from investing activities	12	7,425,721	8,417,828	5,119,948	1,129,694
Operating profit before finance income/ (expense)		(104,273,950)	116,131,419	624,513	(73,370,979)
Finance income	13	32,548,857	85,154,573	15,878,813	50,914,789
Finance expense (-)	13	(580,730,526)	(523,684,748)	(286,699,735)	(248,919,539)
Finance expense, net		(548,181,669)	(438,530,175)	(270,820,922)	(198,004,750)
Monetary gain		276,423,470	589,328,322	(9,967,566)	327,299,463
Profit before tax		(376,032,149)	266,929,566	(280,163,975)	55,923,734
Tax income/(expense)		(32,791,176)	291,258	2,544,647	48,532,578
- Current tax expense	14	-	(105,850,558)	962,726	(34,749,120)
- Deferred tax expense	14	(32,791,176)	106,141,816	1,581,921	83,281,698
Period loss		(408,823,325)	267,220,824	(277,619,328)	104,456,312
Earnings per share		(3.01)	1.96	(2.04)	0.77
Earnings per common and diluted share from continuing operations (kr)		(3.01)	1.96	(2.04)	0.77
Other comprehensive income:					
Gains (losses) on financial assets at fair value through other comprehensive income, after tax		108,166,132	(10,432,458)	(9,525,968)	(16,517,781)
Losses related to hedging from cash flow risk		(12,115,171)	(150,362,501)	8,192,847	(157,393,259)
Gains / (losses) on remeasurements of defined benefit plans		(19,457,595)	(15,159,346)	(16,168,543)	6,487,129
Total other comprehensive income		76,593,366	(175,954,305)	(17,501,664)	(167,423,911)
Total comprehensive expense		(332,229,959)	91,266,519	(295,120,992)	(62,967,599)

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

	Paid in share capital	Inflation adjustments to paid in capital	Share premiums (discounts)	Other comprehensive income that will be Reclassified in Profit or Loss		Other comprehensive income that will not be Reclassified in Profit or Loss		Net profit for the period	Retained earnings	Total equity
				Gains / (losses) on revaluations and remeasurements	Cash flow hedges	Gains / (losses) on remeasurements of defined benefit plans	Restricted reserves appropriated from profit			
Balance as at 1 January 2023	136,000,000	2,795,849,644	165,170,723	(125,924,587)	(8,037,684)	(40,830,225)	811,317,335	(340,630,077)	(145,606,664)	3,247,308,465
Transfers	-	-	-	-	-	-	384,080	340,630,077	(341,014,157)	-
Total comprehensive income	-	-	-	(10,432,458)	(150,362,501)	(15,159,346)	-	267,220,824	-	91,266,519
Balance as at 30 June 2023	136,000,000	2,795,849,644	165,170,723	(136,357,045)	(158,400,185)	(55,989,571)	811,701,415	267,220,824	(486,620,821)	3,338,574,984
Balance as at 1 January 2024	136,000,000	2,795,739,817	165,164,536	(108,166,132)	(204,828,772)	(61,565,508)	811,658,103	(107,572,512)	(486,589,691)	2,939,839,841
Transfers ^(*)	-	(381,562,025)	(165,164,536)	-	-	-	(47,435,642)	107,572,512	486,589,691	-
Total comprehensive income	-	-	-	108,166,132	(12,115,171)	(19,457,595)	-	(408,823,325)	-	(332,229,959)
Balance as at 30 June 2024	136,000,000	2,414,177,792	-	-	(216,943,943)	(81,023,103)	764,222,461	(408,823,325)	-	2,607,609,882

(*) With the General Assembly decision on April 25, 2024, previous year's losses transferred. In accordance with this decision, 381,562,025 TL of capital adjustment differences, 165,164,536 TL of share issue premiums/discounts, 47,435,642 TL of restricted reserves allocated from profit were transferred from prior year losses.

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

	Notes	Reviewed 1 January- 30 June 2024	Reviewed 1 January- 30 June 2023
Net profit/(loss) for the period		(408,823,325)	267,220,824
Adjustments to reconcile profit for the period			
Adjustments for depreciation and amortization expenses		96,256,841	62,264,113
<i>Adjustments for impairment of inventories</i>	5	(3,594,225)	3,432,000
Adjustments for provisions		38,915,076	75,686,297
<i>Adjustments for provision related with employee benefits</i>		4,650,970	17,356,054
<i>Adjustments for other provision</i>		34,264,106	58,330,243
Profit / (loss) from sale of property, plant and equipment	12	4,185,534	614,157
Adjustments for income accruals		2,351,167	23,104,311
Adjustments for tax expenses	14	32,791,176	(291,258)
Adjustments for unrealized foreign exchange loss, net		38,223,819	193,789,970
Deferred financial expense due to purchases with maturity		(754,457)	(279,073)
Unearned financial income due to sales with maturity		31,885,891	16,124,326
Interest income	13	(20,287,080)	(39,404,738)
Interest expense	13	497,053,952	487,467,204
Adjustment for monetary position gains/(losses)		(424,702,382)	(500,794,549)
Changes in working capital		(116,498,013)	588,933,584
Changes in trade receivables and other receivables		(1,019,582,768)	(333,767,536)
Changes in due from related parties		1,248,177,060	(212,588,221)
Changes in inventories		1,818,957,242	2,235,669,025
Changes in prepaid expenses		(356,596,695)	(156,599,991)
Changes in other current and non-current assets		214,178,481	4,172,820
Changes in trade payables		(350,560,510)	(447,923,567)
Changes due to related parties		(32,649,541)	(109,725,868)
Changes in deferred income		(42,153,746)	(88,149,347)
Changes in employee benefit payables		7,121,147	(9,473,481)
Decrease in other liabilities		1,136,128	(15,681,199)
Net cash flows from operating activities		1,371,528,785	1,454,866,219
Employee termination benefits paid		(32,011,316)	(22,538,932)
Taxes paid		22,819,805	(57,062,352)
Net cash flows from operating activities		1,362,337,274	1,375,264,935
Investing activities:			
Cash outflows from property, plant and equipment and intangible asset		(78,625,615)	(154,552,143)
Cash generated from sale of property, plant and equipment and intangible assets		(3,424,542)	(613,123)
Net cash used in investing activities		(82,050,157)	(155,165,266)
Financing activities:			
Interest received		20,287,080	39,404,738
Cash outflows due to leasing payments		(19,644,196)	(17,304,633)
Cash inflows due to borrowing received		1,217,980,962	2,330,584,949
Cash outflows due to borrowing payments		(1,396,607,076)	(3,248,932,720)
Interest paid		(473,154,371)	(598,602,625)
Net cash from in financing activities		(651,137,601)	(1,494,850,291)
Monetary loss impact on cash and cash equivalents		(307,386,739)	(160,175,822)
Net change in cash and cash equivalents		321,762,777	(434,926,444)
Cash and cash equivalents at the beginning of the period		115,612,733	591,209,322
Cash and cash equivalents at the end of the period		437,375,510	156,282,878

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 1 – COMPANY’S ORGANISATION AND NATURE OF OPERATIONS

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

As at 30 June 2024 and 31 December 2023, the number of end-of-period, average, permanent and temporary personnel employed within the Company is as follows:

	30 June 2024		31 December 2023	
	End of Period	Average	End of Period	Average
Permanent Personnel	440	438	448	455
Temporary Personnel	592	369	291	524
Total	1,032	807	739	979

Koç Holding A.Ş. sold its shares to Memişoğlu Tarım Ürünleri Tic. Ltd. Şti. on February 19, 2024. The primary partner and the party holding the main control of the company is Memişoğlu Tarım Ürünleri Tic. Ltd. Şti. (Note 8). The company's shares have been traded on Borsa İstanbul since 1993

The registered office address of the Company is as follows:

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Principles of measurement

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

Reporting and Functional Currency

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

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

2.1 Basic Principles of Presentation (Continued)

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 June 30, 2024, 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
30 June 2024	2.319.29	1.0000	324%
31 December 2023	1.859.38	1.2473	268%
30 June 2023	1.351.59	1.7159	190%

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.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

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

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

The 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.

2.4 Change in accounting policy

The accounting policies applied in the interim condensed financial statements of the Company are the same as the accounting policies applied in the financial statements for the year ended 31 December 2023.

2.5 Summary of significant accounting policies

The condensed interim financial statements of the Company for the period ended June 30, 2024 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of the condensed interim financial statements for the period ended June 30, 2024 are consistent with those used in the preparation of annual financial statements for the year ended December 31, 2023. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

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

2.5 Basic Principles of Presentation (Continued)

New and Revised International Financial Reporting Standards:

a) *Standards, amendments, and interpretations applicable as of 30 June 2024:*

- **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.
- **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.
- **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.
- **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.

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

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

2.5 Basic Principles of Presentation (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

The IFRS codification are preserved in the standards newly published by International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Agency.

- **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.

However, in the letter dated 06.04.2023 sent by the Public Oversight Authority (POA) to the Association of Insurance, Reinsurance and Pension Companies of Turkey, it was reported that it was reached the opinion that it would be appropriate to apply TFRS 17 in the consolidated and separate financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies as of 1/1/2024.

On the other hand, the implementation date of TFRS 17 has been postponed to 01.01.2025 by POA.

- **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.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

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

2.5 Basic Principles of Presentation (Continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The impact of the amendment on financial position or performance of the Company is being evaluated.

NOTE 3 – FINANCIAL BORROWINGS

The financial liabilities at 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Short term borrowings	785,958,500	599,232,043
Short term portion of long-term borrowings	128,976,186	142,807,095
Short-term portions of long-term bonds	688,947,397	761,275,256
Short term portion of bonds issued	935,130,993	1,146,926,305
Short term lease liabilities	26,084,452	28,611,357
Total short term financial liabilities	2,565,097,528	2,678,852,056
Long term borrowings	351,035,141	449,308,646
Bonds issued	-	629,617,091
Long term lease liabilities	66,228,364	94,056,165
Long term lease liabilities	417,263,505	1,172,981,902
Total liabilities	2,982,361,033	3,851,833,958

There are no pledges and mortgages given by the Company, related to its financial liabilities (31 December 2023: None).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 3 – FINANCIAL BORROWINGS (Continued)

The details of financial borrowings as of 30 June 2024 are as follows:

	The weighted average interest rate %	Original amount	30 June 2024 Book Value (TRY)
Short term financial borrowings			
TRY borrowings	18.95%	785,958,500	785,958,500
EUR borrowings	8.52%	15,000,000	128,976,186
Bonds issued	32.52%	1,624,078,390	1,624,078,390
			2,539,013,076
Long term financial borrowings			
EUR borrowings	7.60%	15,000,000	351,035,141
			351,035,141

The details of financial borrowings as of 31 December 2023 are as follows:

	The weighted average interest rate %	Original amount	31 December 2023 Book Value (TRY)
Short term financial borrowings			
TRY borrowings	24.58%	565,000,000	599,232,043
EUR borrowings	8.52%	15,000,000	142,807,095
Bonds issued	42.42%	1,180,000,000	1,908,201,561
			2,650,240,699
Long term financial borrowings			
EUR borrowings	8.62%	15,000,000	449,308,646
Bonds issued	33.00%	620,000,000	629,617,091
			1,078,925,737

Repayment schedule of the long-term borrowings issued at 30 June 2024 and 31 December 2023 of are as follows:

	30 June 2024	31 December 2023
Less than one year	2,539,013,076	2,650,240,699
Between one and two years	351,035,141	1,078,925,737
	2,890,048,217	3,729,166,436

As at 30 June 2024 and 31 December 2023, repayment schedule of the long-term lease obligations in TRY are as follows:

	30 June 2024	31 December 2023
Less than one year	26,084,452	28,611,357
Between one and two years	13,245,394	18,269,073
Between two and three years	9,338,300	12,043,845
Between three and four years	8,235,797	10,036,220
Between four and five years	10,134,909	12,002,237
More than five years	25,273,964	41,704,790
	92,312,816	122,667,522

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 4 – TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The analysis of trade receivables and trade payables at 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
Trade receivables due from related parties (Note 16)	99,187,993	1,347,365,053
Trade receivables	1,324,801,196	335,132,819
Provisions for doubtful receivables	(9,608,898)	(11,985,223)
	1,414,380,291	1,670,512,649

Movement of allowance for doubtful receivables of the Company for the period ended 30 June 2024 and 2023 is as follows:

	1 January – 30 June 2024	1 January – 31 December 2023
Opening balance	(11,985,223)	(5,657,298)
Provision of the period	-	(8,551,772)
Monetary Gain/Loss	2,376,325	2,223,847
	(9,608,898)	(11,985,223)

The explanations related to quality and level of risks at trade receivables are explained at note 17.

Trade Payables

As at 30 June 2024 and 31 December 2023, the details of trade payables are as follows:

	30 June 2024	31 December 2023
Trade payables:		
Domestic suppliers	627,947,259	979,262,226
Due to related parties (Note 16)	1,785,100	124,534,362
	629,732,359	1,103,796,588

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 5 - INVENTORIES

As at 30 June 2024 and 31 December 2023, the details of inventories are as follows:

	30 June 2024	31 December 2023
Raw materials	401,719,660	371,070,041
Finished goods	1,592,991,276	3,396,162,199
Trade goods	54,464,092	103,777,381
Other inventory	5,891,046	3,013,695
Impairment of inventory	(32,681,178)	(36,275,403)
	2,022,384,896	3,837,747,913

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

For the periods ended 30 June 2024 and 2023, property, plant and equipment movement are as follows:

	1 January – 30 June 2024	1 January – 30 June 2023
Net book value as of 1 January	1,763,761,049	1,583,598,768
Additions	81,675,773	154,552,143
Disposals	(760,992)	(1,023)
Transfers	(3,050,158)	(11,408,969)
Depreciation of the current period	(80,725,560)	(66,575,576)
	1,760,900,112	1,660,165,343

NOTE 7 – COMMITMENTS AND CONTINGENCIES

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

	30 June 2024	31 December 2023
A. On the behalf of legal entity	600,331,098	512,371,501
B. On the behalf of associations that included in full consolidation	-	-
C. On the behalf of third parties' liabilities within the context of business operations	-	-
- Given on the behalf of parent company	-	-
- Given on the behalf of other group companies which are not included in B and C clauses	-	-
- Given on the behalf of third parties which are not included	-	-
D. Others	-	-
	600,331,098	512,371,501

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

Company has guarantee letters given to tax office (for VAT refund), natural gas suppliers and General Directorate of Agricultural Enterprises etc. amounting to TRY600,331,098. (31 December 2023:TRY512,371,501).

Total guarantees given by the Company are in TRY currency and neither any pledges nor encumbrances are given by the Company. Ratio of commitments and contingencies given by the Company to the Shareholders Equity on 30 June 2024 is 0 percent (31 December 2023: 0 percent).

NOTE 8 – SHAREHOLDER’S EQUITY

a) Share Capital

The Company’s paid share capital at 30 June 2024 is TRY136,000,000 and consists of 13,600,000,000 number of shares, each with a nominal value of 1 Kuru and there is no preferred stock (31 December 2023: 13,600,000,000 number of shares each with a nominal value of 1 Kurus).

As at 30 June 2024 and 31 December 2023, the shareholders and paid-in capital with the historical values are as follows:

	%	30 June 2024	%	31 December 2023
Koç Holding A.Ş.	-	-	43.65	59,364,947
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	49.04	66,693,852	-	-
Public	41.41	56,312,844	41.41	56,312,844
Kagome Co. Ltd.	3.73	5,071,168	3.73	5,071,168
Temel Ticaret ve Yatırım A.Ş.	3.26	4,427,889	3.26	4,427,889
Sumitomo Corporation	1.53	2,077,983	1.53	2,077,983
Other	1.03	1,416,264	6.42	8,745,169
Total share capital	100.00	136,000,000	100.00	136,000,000
Inflation adjustments to share capital		2,414,177,792		2,795,739,817
Adjusted share capital		2,550,177,792		2,931,739,817

The Company has adopted the registered capital system in accordance with the provisions of the Capital Market Law passed to this system with the permission of the Capital Markets Board dated 20 August 1992 and numbered 454. The registered capital ceiling of the Company is TRY250,000,000 and each Kr consists of 25,000.000,000 shares with a nominal value.

As at 30 June 2024, capital adjustment differences amounting to TRY2,414,177,792 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 2023: TRY2,795,739,817).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 8 – SHAREHOLDER’S EQUITY (Continued)

The nominal values and inflation adjustment effects of the following items included in equity accounts in accordance with TFRS and TPL as of June 30, 2024 are as follows:

30 June 2024 (IFRS)	Nominal Value	Inflation adjustment effect	Indexed value
Paid-in capital	136,000,000	2,795,892,427	2,931,892,427
Share premiums/discounts	10,107,809	155,056,727	165,164,536
Legal reserves	118,958,083	692,777,990	812,686,073

30 June 2024 (VUK)	Nominal Value	Inflation adjustment effect	Indexed value
Paid-in capital	136,000,000	3,699,948,348	3,835,948,348
Share premiums	10,107,809	247,605,805	257,713,614
Legal reserves	118,958,083	6,168,100,607	6,288,008,690

b) Share premium

These premiums related to the shares that have been canceled by not participating in the capital increase are positive differences on the shares sold above the nominal value. As at 30 June 2024, the premium of the Company's share in the financial statements is TRY0 (31 December 2023: TRY165,164,536).

c) Restricted reserves

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

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

As at 30 June 2024 and 31 December 2023, the Company's details of restricted reserves are as follows:

	30 June 2024	31 December 2023
Legal reserves	38,030,659	47,435,641
Special reserves	726,191,802	764,222,462
Total	764,222,461	811,658,103

Legal Reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5 percent per annum, until the total reserve reaches 20 percent of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10 percent per annum of all cash dividend distributions. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 8 – SHAREHOLDER’S EQUITY (Continued)

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.

d) Dividend distribution

There is no dividend payment during 2024.

NOTE 9 – SALES AND COST OF SALES

For the periods 1 January – 30 June 2024 and 2023 , gross profit as a result of revenues and cost of sales are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Domestic sales (net)	1,793,195,641	2,699,858,696	800,236,836	1,194,761,666
Foreign sales (net)	1,271,751,626	1,189,280,377	594,814,559	581,980,569
Total operating revenue	3,064,947,267	3,889,139,073	1,395,051,395	1,776,742,235
Raw material expenses	(4,058,135,753)	(5,258,206,522)	(1,710,152,229)	(2,595,260,025)
Direct labour expenses	(127,849,130)	(108,427,312)	(71,096,779)	(51,938,394)
Manufacturing overhead	(109,837,278)	(127,535,926)	(55,290,677)	(58,031,512)
Depreciation expenses	(46,742,587)	(29,035,710)	(34,199,536)	(12,507,783)
Change in finished goods	1,803,035,872	2,233,631,879	749,672,458	1,035,914,066
Cost of finished goods sold	(2,539,528,876)	(3,289,573,591)	(1,121,066,763)	(1,681,823,648)
Cost of trade goods sold	(138,502,815)	(106,344,961)	(93,521,753)	(33,048,789)
Other cost of sales	(162,861,827)	(186,531,427)	(58,828,599)	(83,609,225)
Cost of sales(-)	(2,840,893,518)	(3,582,449,979)	(1,273,417,115)	(1,798,481,662)
Gross Profit	224,053,749	306,689,094	121,634,280	(21,739,427)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 10 – EXPENSES BY NATURE

For the periods 1 January – 30 June 2024 and 2023 details of research and development expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Research and development expenses				
Personnel expenses	9,402,638	6,762,403	4,313,783	3,875,718
Depreciation expenses	1,288,190	300,570	1,049,434	38,962
Other	1,557,141	259,702	1,209,761	132,453
	12,247,969	7,322,675	6,572,978	4,047,133

For the periods 1 January – 30 June 2024 and 2023 details of marketing, selling and distribution expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Marketing, Sales and Distribution Expenses:				
Personnel expenses	78,748,901	67,640,765	32,683,140	32,265,000
Shipping and insurance expenses	67,676,127	72,841,155	31,136,428	30,574,151
Advertising expenses	36,938,301	47,367,577	12,858,283	35,472,582
Export expenses	23,737,423	34,971,429	7,904,702	18,118,731
Subcontracting expenses	20,085,903	10,563,321	9,418,823	5,156,368
Sales support expenses	15,912,130	18,407,853	6,490,772	9,145,256
Other	19,654,714	14,815,647	6,165,103	5,876,740
	262,753,499	266,607,747	106,657,251	136,608,828

For the periods 1 January - 30 June 2024 and 2023 the details of general and administrative expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
General and administrative expenses:				
Personnel expenses	98,267,314	119,509,579	30,928,120	56,145,420
Depreciation and amortization	48,226,064	32,927,833	35,123,259	14,772,563
Severance expense	28,020,104	23,666,275	1,372,022	15,984,192
Information technology expenses	20,338,505	24,426,160	9,821,861	14,587,335
Administrative expenses	11,155,548	16,364,771	5,484,081	8,972,691
Consultancy and lawsuit expenses	8,551,811	29,596,864	1,696,386	18,134,540
Tax and duties expenses	6,325,673	9,248,805	4,279,589	9,027,670
Transport, travel expenses	5,033,085	6,897,326	2,073,137	3,405,246
Repair and maintenance expenses	1,279,596	3,051,019	474,917	1,969,881
Other	8,859,647	12,556,354	3,333,622	4,655,830
	236,057,347	278,244,986	94,586,994	147,655,368

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 11 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

For the periods 1 January - 30 June 2024 and 2023, other income and profits from operating activities are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Other Operating Income				
Expense from maturity differences	203,490,976	201,137,552	100,659,788	41,683,223
Exchange differences from commercial activities	41,626,216	281,860,872	8,612,183	239,626,443
Other	18,265,915	10,024,225	11,845,275	4,359,013
	263,383,107	493,022,649	121,117,246	285,668,679

For the periods 1 January – 30 June 2024 and 2023, other expenses from operating activities are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Other Operating Expense				
Expense from maturity differences	74,141,708	87,637,085	32,649,022	18,257,129
Exchange differences from commercial activities	13,068,428	20,964,007	6,684,842	8,040,613
Other	867,576	31,221,652	95,875	23,820,854
	88,077,712	139,822,744	39,429,738	50,118,596

NOTE 12 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

For the periods 1 January – 30 June 2024 and 2023, investment income and expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Income from Investing Activities				
Gain on sale of property, plant and equipment	4,185,534	614,157	2,386,481	667,549
Rent income	3,240,187	953,931	2,733,467	462,145
Dividend income	-	6,849,740	-	-
	7,425,721	8,417,828	5,119,948	1,129,694

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 13 – FINANCIAL INCOME AND EXPENSES

For the periods 1 January – 30 June 2024 and 2023, financial income and expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gains	12,261,777	45,106,256	3,270,249	39,643,519
Interest income on time deposits	20,287,080	39,404,738	12,608,564	10,799,617
Other	-	643,579	-	471,653
	32,548,857	85,154,573	15,878,813	50,914,789

For the periods 1 January – 30 June 2024 and 2023, financial expenses are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Interest expenses on bond issued	382,183,052	341,034,724	185,136,817	167,519,275
Bank loans interest expenses	125,228,341	138,914,745	58,296,359	59,216,105
Foreign exchange expenses	25,613,920	4,593,428	15,523,915	3,960,617
Lease interest expenses	12,095,168	7,962,211	5,493,382	3,899,042
Other	35,610,045	31,179,640	22,249,262	14,324,500
	580,730,526	523,684,748	286,699,735	248,919,539

NOTE 14 – INCOME TAX

Total income tax benefit/ (expense) recognized in profit or loss for the year ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Current tax expense	-	(105,850,558)	962,726	(34,749,120)
Deferred tax (expense)/ income	(32,791,176)	106,141,816	1,581,921	83,281,698
Total tax expense	(32,791,176)	291,258	2,544,647	48,532,578

NOTE 15 – OTHER ASSETS

As at 30 June 2024 and 31 December 2023, the details of other assets are as follows:

	30 June 2024	31 December 2023
Other current assets:		
VAT receivables	313,810,417	410,701,618
Income accruals	7,399,259	9,750,426
VAT receivables arising from exports	5,627,558	3,446,761
Other	3,342,241	9,502,780
	330,179,475	433,401,585
Other non-current assets:		
Advances given	-	196,234
	-	196,234

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 16 – RELATED PARTY TRANSACTIONS

i) As of 30 June 2024 and 31 December 2023, the details of related party balances are as follows:

a) Deposits at Banks:

Yapı ve Kredi Bankası A.Ş.	30 June 2024	31 December 2023
Current Deposits	-	92,836,154
	-	92,836,154

b) Trade receivables due from related parties:

	30 June 2024	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	89,576,205	-
Tat Bakliyat San.ve Tic.A.Ş.	9,611,788	-
Düzey	-	1,260,737,138
Ram Dış Ticaret A.Ş.	-	86,510,905
Other	-	117,010
	99,187,993	1,347,365,053

c) Due to related parties:

Trade Payables	30 June 2024	31 December 2023
Temel Ticaret Yatırım A.Ş.	1,785,100	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (*)	-	59,029,634
Yapı Kredi Bankası A.Ş.	-	26,355,281
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	19,864,101
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	11,211,886
Otokoç Otomotiv Tic.ve San.A.Ş.	-	2,336,833
Ingage Dijital Pazarlama A.Ş.	-	1,425,021
Ram Dış Ticaret A.Ş.	-	1,054,991
Ark İnşaat San ve Tic. A.Ş.	-	526,874
Setur Servis Turistik A.Ş.	-	429,796
Eltak Elektrik Enerjisi İthalat İhracat A.Ş.	-	393,098
Other	-	1,906,847
	1,785,100	124,534,362
Other payables	30 June 2024	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	147,572,500	-
Koç Holding A.Ş.	-	57,472,779
Total Trade and Other Payables	147,572,500	57,472,779

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 16 – RELATED PARTY TRANSACTIONS (Continued)

Lease liabilities	30 June 2024	31 December 2023
Temel Ticaret ve Yatırım A.Ş.	4,190,220	-
Otokoç Otomotiv Tic.ve San.A.Ş.	-	25,088,011
Total lease liabilities	4,190,220	25,088,011

ii) For the periods ended 30 June 2024 and 2023, the details of significant sales to related parties and purchases from related parties are as follows:

a) Sales to related parties:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	238,853,494	-	161,796,851	-
Tat Bakliyat San.ve Tic.A.Ş.	19,633,852	-	17,677,698	-
Düzey	-	2,519,993,632	-	1,296,609,402
Ram Dış Ticaret A.Ş.	-	305,266,684	-	101,557,761
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	2,493,024	-	329,339
	258,487,346	2,827,753,340	179,474,549	1,398,496,502

b) Purchase from related parties:

	1 January- 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	51,065,757	-	33,905,432	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	64,006,925	-	31,079,715
Eltek Elektrik Enerjisi İthalat İhracat A.Ş.	-	24,181,789	-	12,939,733
Opet Petrolcülük A.Ş.	-	9,039,890	-	7,449,891
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	4,682,613	-	65,493
Koç Digital Çözümler A.Ş.	-	5,946,593	-	5,946,593
Other	-	939,419	-	429,384
	51,065,757	108,797,229	33,905,432	57,910,809

c) Services obtained from related parties:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April- 30 June 2024	1 April - 30 June 2023
Temel Ticaret ve Yatırım A.Ş.	3,873,820	4,128,168	1,845,364	2,010,445
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	91,879,177	-	51,688,907
Koç Holding A.Ş.	-	29,753,499	-	21,168,847
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	16,973,068	-	11,370,371
Ram Dış Ticaret A.Ş.	-	11,339,695	-	10,949,283
Otokoç Otomotiv Tic. ve San. A.Ş.	-	8,874,018	-	4,478,554
Ingage Dijital Pazarlama A.Ş.	-	6,445,426	-	6,356,386
Setur Servis Turistik A.Ş.	-	4,567,851	-	1,796,974
Other	-	3,082,870	-	281,314
	3,873,820	177,043,772	1,845,364	110,101,081

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 16 – RELATED PARTY TRANSACTIONS (Continued)

d) Payments to key management:

Tat Gıda's senior executives have been determined as the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly reporting to the General Manager. As at 30 June 2024, the total amount of benefits provided to Tat Gıda's senior executives is TRY74,354,026 (30 June 2023: TRY23,018,789). 2,519,362 TL (June 30, 2023: TL 0) of this amount is related to the payments made for the termination of employment and the remaining portion consists of short-term benefits.

NOTE 17 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS

a) Financial Risk Factors

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

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

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

a.1) Credit Risk Management

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 17 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

30 June 2024	Receivables				Deposits in Banks	Banks
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	99,187,993	1,315,192,298	-	8,321,871	437,375,510	-
- The portion of the maximum risk guaranteed by collateral	-	45,176,133	-	-	-	-
A. Net book value of financial assets not overdue or impaired	3,281,647	810,200,669		8,321,871	437,375,510	-
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	95,906,346	504,991,629	-	-	-	-
- Collateral. vs secured part	-	45,176,133	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	9,608,898	-	-	-	-
- Impairment (-)	-	(9,608,898)	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 17 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Receivables				Deposits in Banks	Banks
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	1,347,365,053	323,147,596	-	12,669,697	115,612,733	-
- The portion of the maximum risk guaranteed by collateral	1,559,166	35,829,077	-	-	-	-
A. Net book value of financial assets not overdue or impaired	970,117,761	161,485,763	-	12,669,697	115,612,733	-
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	377,247,292	161,661,833	-	-	-	-
- Collateral. vs secured part	1,559,166	9,574,986	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	11,985,223	-	-	-	-
- Impairment (-)	-	(11,985,223)	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 17 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

a.2) Foreign Currency Management

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

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

30 June 2024	TRY Equivalent	USD	EUR	Other
1 Trade Receivables	396,885,217	3,391,620	8,128,146	542
2.a Monetary financial assets	237,049,694	1,363,240	5,473,534	560
2.b Non-monetary financial assets	-	-	-	-
3.Other	-	-	-	-
4. CURRENT ASSETS (1+2+3)	633,934,911	4,754,860	13,601,680	1,102
5. Trade Receivables	-	-	-	-
6.a Monetary Financial Assets	-	-	-	-
6.b Non-Monetary Financial Assets	-	-	-	-
7.Other	-	-	-	-
8. NON-CURRENT ASSETS (5+6+7)	-	-	-	-
9. TOTAL ASSETS (4+8)	633,934,911	4,754,860	13,601,680	1,102
10. Trade Payables	33,167,204	145,507	804,906	2,792
11. Financial Liabilities	673,748,909	-	19,179,607	-
12.a Other Monetary Financial Liabilities	560,838	17,085	-	-
12.b Other Non-monetary Financial Liabilities	3,920,110	119,420	-	-
13. CURRENT LIABILITIES (10+11+12)	711,397,061	282,012	19,984,513	2,792
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16.a Other Monetary Financial Liabilities	1,172,887	35,730	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES (14+15+16)	1,172,887	35,730	-	-
18. TOTAL LIABILITIES (13+17)	712,569,948	317,742	19,984,513	2,792
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 (9-18+ 19)	(78,635,037)	4,437,118	(6,382,833)	(1,690)
21. Net foreign currency asset/ liability position of non-monetary items (1+2a+6a-10-11-12a-14-15-16a)	(74,714,927)	4,556,538	(6,382,833)	(1,690)
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged amount of foreign currency liabilities	-	-	-	-

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 17 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	TRY Equivalent	USD	EUR	Other
1 Trade Receivables	604,973,365	4,914,304	10,448,797	-
2.a Monetary financial assets	92,692,760	27,652	2,256,430	-
2.b Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS (1+2+3)	697,666,125	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 (5+6+7)	-	-	-	-
9. TOTAL ASSETS (4+8)	697,666,125	4,941,956	12,705,227	-
10. Trade Payables	73,788,453	899,655	999,815	-
11. Financial Liabilities	-	-	-	-
12.a Other Monetary Financial Liabilities	699,533	19,017	-	-
12.b Other Non-monetary Financial Liabilities	62,164,026	1,693,000	-	-
13. CURRENT LIABILITIES (10+11+12)	136,652,012	2,611,672	999,815	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	15,154,577	-
16.a Other Monetary Financial Liabilities	1,462,942	39,771	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES (14+15+16)	1,462,942	39,771	15,154,577	-
18. TOTAL LIABILITIES (13+17)	138,114,954	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 (9-18+ 19)	559,551,171	2,290,513	(3,449,165)	-
21. Net foreign currency asset/ liability position of non-monetary items (1+2a+6a-10-11-12a-14-15-16a)	621,715,197	3,983,513	(3,449,165)	-
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged amount of foreign currency liabilities	-	-	-	-

Foreign currency sensitivity

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

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

TAT GIDA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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

NOTE 17 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

	30 June 2024 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	29,914,766	(29,914,766)
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	29,914,766	(29,914,766)
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - EUR net asset / liability	(44,924,549)	44,924,549
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	(44,924,549)	44,924,549
TOTAL	(15,009,783)	15,009,783
	31 Aralık 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	23,453,490	(23,453,490)
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	23,453,490	(23,453,490)
In the case of appreciation of EUR at 20% ratio compared to TRY		
4 - EUR net asset / liability	(22,511,044)	22,511,044
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	(22,511,044)	22,511,044
TOTAL	942,446	(942,446)

NOTE 18 – SUBSEQUENT EVENTS

At the meeting of company's Board of Directors held on August 9, 2024, it was decided, based on the authority granted by Article 6 of the Company's Articles of Association, to increase the issued capital of the company, which is currently TL 136,000,000 within the registered capital ceiling of TL 250,000,000, by TL 108,800,000, representing an 80% increase, to TL 244,800,000, with the entire amount being paid in cash (paid-in). An application for the capital increase was made to the Capital Markets Board (CMB) on August 14, 2024, and the prospectus has been published.

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