

TAT GIDA SANAYİ A.Ş.

**FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024
FINANCIAL STATEMENTS TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Tat Gıda Sanayi A.Ş. (the “Company”) which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

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

3. Key audit matters

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



Key Audit Matters	How the key audit matter was addressed in the audit
<p data-bbox="261 506 545 533">Revenue recognition</p> <p data-bbox="261 548 862 804">The revenue items that the Company generates revenue mainly consists of sales of the manufactured food and canned products. Revenue is recognized in the financial statements when the Company fulfils its performance obligation by transferring control of the promised products to its customers.</p> <p data-bbox="261 852 867 1035">Revenue is one of the most important indicators in the performance evaluation of the Company. Revenue has significant importance in terms of evaluating the results of the strategies implemented during the year and monitoring the performance.</p> <p data-bbox="261 1083 854 1377">The revenue amounting to TRY 6,332,759,473 which is the largest financial statement item in the statement of profit or loss for the period 1 January - 31 December 2024, has been identified as a key audit matter due to its significance level. Explanations regarding the Company's accounting policies and amounts regarding revenue are included in Notes 2.6 and 18.</p>	<p data-bbox="899 548 1471 615">During our audit, the following audit procedures were performed for the recognition of revenue:</p> <ul data-bbox="899 663 1511 1722" style="list-style-type: none"> <li data-bbox="899 663 1479 768">• Evaluating the conformity of the Company's accounting policies for the recognition of the revenue, <li data-bbox="899 816 1487 999">• Performing tests on the accuracy of customer invoices with the sampling method and checking the accounting of the related contracts within the scope of TFRS 15, "Revenue from Customer Contracts", <li data-bbox="899 1047 1455 1230">• Evaluating the performance obligations determined by the Company and checking whether the revenue is accounted in accordance with the relevant accounting policies, <li data-bbox="899 1278 1471 1419">• Testing the revenue items belong to period ending and the beginning of the following period with the sampling method regarding the cut-off of the revenue, <li data-bbox="899 1467 1511 1722">• Evaluating the adequacy of the notes and explanations for revenue recognition which are explained in Note 2.6 and 18 within the scope of TFRS 15, "Revenue from Customer Contracts" standard, As a result of these procedures on the recognition of revenue, we did not have any significant findings.



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

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

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

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

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

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

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 26 February 2025.

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

A handwritten signature in blue ink, appearing to read "Cihan Harman", with a long, sweeping flourish extending to the right.

Cihan Harman, SMMM
Independent Auditor

Istanbul, 26 February 2025

TAT GIDA SANAYİ A.Ş.

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TAT GIDA SANAYİ A.Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

Assets	Notes	Audited 31 December 2024	Audited 31 December 2023
Current Assets			
Cash and cash equivalents	3	117,628,435	133,825,470
Trade receivables		1,029,415,111	1,933,672,297
-Trade receivables from related parties	6.26	23,569,560	1,559,618,528
-Trade receivables from third parties	6	1,005,845,551	374,053,769
Other receivables		2,865,572	14,567,282
-Other receivables from third parties	7	2,865,572	14,567,282
Inventories	8	3,600,406,193	4,442,317,052
Prepaid expenses	9	62,371,851	58,760,790
Current income tax assets	24	-	26,414,661
Other current assets	16	368,247,126	501,676,320
Total Current Assets		5,180,934,288	7,111,233,872
Non-Current Assets			
Other receivables		68,085	98,300
-Other receivables from third parties	7	68,085	98,300
Financial investments	4	3,375,930	47,676,732
Property, plant and equipment	10	2,174,629,230	2,041,610,331
Right of use assets	11	192,723,769	234,686,960
Intangible assets	11	143,015,103	104,411,555
Other non-current assets	16	4,292,640	227,147
Total Non-Current Assets		2,518,104,757	2,428,711,025
Total Assets		7,699,039,045	9,539,944,897

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

TAT GIDA SANAYİ A.Ş.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

Liabilities	Notes	Audited 31 December 2024	Audited 31 December 2023
Short term liabilities			
Short term financial borrowings	5	1,757,467,650	2,021,234,636
Short term leasing borrowings	5	20,356,992	33,118,569
- Leasing borrowings to related parties	26	467,911	15,388,642
- Leasing borrowings to third parties	5	19,889,081	17,729,927
Short term portion of long-term borrowings	5	913,912,125	1,046,504,496
Trade payables		902,120,580	1,277,680,170
- Trade payables to related parties	6.26	7,969,842	144,152,543
- Trade payables to third parties	6	894,150,738	1,133,527,627
Employee benefit obligations	15	67,457,656	45,248,441
Other payables		75,421,189	112,550,356
- Other payables from related parties	26	60,796,889	66,526,596
- Other payables from third parties	7	14,624,300	46,023,760
Deferred income	10	71,747,282	59,903,466
Short-term provisions		38,418,033	44,828,614
- Short term provisions for employment benefits	15	10,002,831	15,603,937
- Other short term provisions	13	28,415,202	29,224,677
Total short term liabilities		3,846,901,507	4,641,068,748
Long term liabilities			
Long term financial borrowings	5	518,325,392	1,248,891,357
Long term leasing borrowings	5	84,685,220	108,873,046
- Long term leasing borrowings to related parties	27	-	13,651,541
- Long term leasing borrowings to third parties	5	84,685,220	95,221,505
Long term provisions		55,520,939	92,538,239
- Long term provisions for employment benefits	15	55,520,939	92,538,239
<i>Deferred tax liabilities</i>	25	106,635,998	45,614,024
Total long term liabilities		765,167,549	1,495,916,666
Total liabilities		4,612,069,056	6,136,985,414
Equity attributable to equity holders of the parent company			
Share capital	17	136,000,000	136,000,000
Inflation adjustment to share capital	17	2,815,913,086	3,257,583,444
Share premiums	17	-	191,183,280
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		(251,382,110)	(362,301,702)
- Financial assets revaluation reserve	17	-	(125,205,788)
- Losses related to hedging from flow risk		(251,382,110)	(237,095,914)
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss	17	(92,805,661)	(71,264,062)
- Actuarial gains/(losses) in defined benefit plan		(92,805,661)	(71,264,062)
Restricted reserves	17	884,612,161	939,520,447
Previous years' losses		-	(563,243,270)
Net Period Loss		(405,367,487)	(124,518,654)
Total equity		3,086,969,989	3,402,959,483
Total liabilities and equity		7,699,039,045	9,539,944,897

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

TAT GIDA SANAYİ A.Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
Sales	18	6,332,759,473	8,304,211,377
Cost of sales (-)	18	(5,670,431,716)	(7,778,944,644)
Gross profit		662,327,757	525,266,733
Marketing expenses (-)	19	(527,569,043)	(613,479,408)
General administrative expenses (-)	19	(509,984,331)	(687,022,678)
Research and development expenses (-)	19	(24,079,242)	(23,028,121)
Other income from operating activities	20	559,340,813	981,711,944
Other expenses from operating activities (-)	20	(251,038,037)	(356,616,062)
Operating loss		(91,002,083)	(173,167,592)
Income from investing activities	21	7,674,365	14,441,515
Operating profit before finance income/(expense)		(83,327,718)	(158,726,077)
Finance income	22	54,574,800	186,114,649
Finance expense (-)	22	(1,140,925,912)	(1,268,582,240)
Financing expenses, net		(1,086,351,112)	(1,082,467,591)
Net monetary gains	23	837,223,142	1,152,301,409
Profit before tax		(332,455,688)	(88,892,259)
Tax income/(expense)		(72,911,799)	(35,626,395)
- Current tax expense	24	-	(85,259,565)
- Deferred tax income	24	(72,911,799)	49,633,170
Period loss		(405,367,487)	(124,518,654)
Loss per share	25	(2.98)	(0.92)

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

TAT GIDA SANAYİ A.Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
Other comprehensive income:			
Actuarial gains (losses) from revaluation or reclassification of investments using equity method	17	125,205,788	20,550,524
Expense (income) relating to avoidance of risk of cash flow	17	(14,286,196)	(227,792,383)
Actuarial gains /(losses) on employee benefits	17	(21,541,599)	(24,003,530)
Total other comprehensive income		89,377,993	(231,245,389)
Total comprehensive expense		(315,989,494)	(355,764,043)

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

TAT GIDA SANAYİ A.Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

			Accumulated Other Comprehensive Income Reclassified to Profit or Loss		Accumulated Other Comprehensive Income Not to Be Reclassified to Profit or Loss					
	Share Capital	Inflation adjustments to share capital	Share premium	Financial assets revaluation reserve	Hedging related to cash flow risk	Actuarial gain/(losses) in defined benefit plans	Restricted profit reserves	Net profit for the Period	Retained earnings	Total equity
Balance as at 1 January 2023	136,000,000	3,257,583,444	191,183,280	(145,756,312)	(9,303,531)	(47,260,532)	939,090,817	(215,639,768)	(347,173,872)	3,758,723,526
Transfers	-	-	-	-	-	-	429,630	215,639,768	(216,069,398)	-
Total comprehensive income	-	-	-	20,550,524	(227,792,383)	(24,003,530)	-	(124,518,654)	-	(355,764,043)
Balance as at 31 December 2023	136,000,000	3,257,583,444	191,183,280	(125,205,788)	(237,095,914)	(71,264,062)	939,520,447	(124,518,654)	(563,243,270)	3,402,959,483
Balance as at 1 January 2024	136,000,000	3,257,583,444	191,183,280	(125,205,788)	(237,095,914)	(71,264,062)	939,520,447	(124,518,654)	(563,243,270)	3,402,959,483
Transfers (*)	-	(441,670,358)	(191,183,280)	-	-	-	(54,908,286)	124,518,654	563,243,270	-
Total comprehensive income	-	-	-	125,205,788	(14,286,196)	(21,541,599)	-	(405,367,487)	-	(315,989,494)
Balance as at 31 December 2024	136,000,000	2,815,913,086	-	-	(251,382,110)	(92,805,661)	884,612,161	(405,367,487)	-	3,086,969,989

(*) With the decision of the general assembly held on 25 April 2024, it was decided to transfer the previous year losses. According to this decision, capital adjustment differences amounting to 441,670,358 TL, share capital adjustment differences amounting to 191,183,280 TL issue premiums/discounts, 54,908,286 TL restricted reserves transferred from retained earnings.

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

TAT GIDA SANAYİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Period loss		(405,367,487)	(124,518,654)
Adjustments made for reconciliation of period loss/profit:			
Adjustments related to depreciation and amortization expenses	10.11	271,701,381	279,965,282
Adjustments related to impairment		24,686,957	41,989,950
Adjustments related to impairment of stocks	8	24,686,957	41,989,950
Adjustments related to provisions		20,558,890	(13,970,145)
Adjustments related to provision for employee termination benefit	15	19,949,916	(13,082,564)
Adjustments related to other provisions	6.13	608,974	(887,581)
Adjustments related to gain or loss on sales of property, plant and equipment	21	(2,097,558)	(4,542,185)
Adjustments related to income accruals	16	6,417,749	51,010,378
Adjustments related to tax expense	24	72,911,799	(85,551,050)
Unrealized foreign exchange loss		185,038,430	257,338,603
Discount expense		(17,484,626)	(47,787,836)
Discount income		25,538,973	4,007,303
Interest income	22	(29,523,436)	(85,611,689)
Interest expense	22	977,140,044	1,086,041,698
Monetary Gain Loss Adjustments		(1,218,210,303)	(1,605,257,252)
Changes in working capital		(88,689,187)	(246,885,597)
Adjustments related to changes in trade receivables and other receivables		(642,298,628)	(31,179,715)
Adjustments related to changes in due from related parties		1,536,048,968	149,283,861
Adjustments related to changes in inventories		817,223,902	1,671,683,964
Adjustments related to changes in prepaid expenses		(3,611,061)	128,388,945
Adjustments related to changes in other current and non-current assets		289,240,742	(31,563,962)
Adjustments related to changes in trade payables		(221,892,263)	(154,267,960)
Adjustments related to changes due to related parties		(141,912,408)	(86,822,394)
Adjustments related to changes in deferred income		11,843,816	(68,556,130)
Adjustments related to changes in other current liabilities		(24,258,971)	(69,349,800)
Cash flows from operating activities		1,531,694,910	1,260,731,212
Employee termination benefits paid	15	(59,147,260)	(34,391,190)
Taxes refund/(paid)	24	-	(56,242,504)
Net cash flows (used in)/from operating activities		1,472,547,650	1,170,097,518
Investing activities:			
Property, plant and equipment and intangible asset acquisitions	10.11	(388,661,325)	(433,068,865)
Cash generated from sale of property, plant and equipment and intangible assets	10.11	17,915,995	5,074,460
Net cash used in investing activities		(370,745,330)	(427,994,405)
Financing activities:			
Cash outflow due to leasing	5	(70,543,136)	(45,097,425)
Cash inflows due to loan received	5	3,096,848,502	5,419,758,466
Cash outflows due to loan received	5	(2,976,253,875)	(5,016,558,806)
Interest paid		(1,034,484,608)	(1,001,975,603)
Interest gained		29,523,436	85,611,689
Net cash (used in)/from financing activities		(954,909,681)	(558,261,679)
Effect of monetary loss on cash and cash equivalents		(163,089,674)	(734,334,197)
Net change in cash and cash equivalents		(16,197,035)	(550,492,763)
Cash and cash equivalents at the beginning of the period	3	133,825,470	684,318,233
Cash and cash equivalents at the ending of the period	3	117,628,435	133,825,470

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

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE COMPANY

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

The Company has entered the registered capital system with the permission of the Capital Market Board dated 20.08.1992 and numbered 454. The registered capital of the Company is TRY250,000,000 and it is divided into 25,000,000,000 shares each with a nominal value of 1 Kuruş. The permission of the registered share capital ceiling is valid for 5 years between 2021 - 2025 and the Board of Directors has the authority to issue shares above the nominal value and to restrict the rights of the current shareholders.

Koç Holding A.Ş. sold its shares to Memişoğlu Tarım Ürünleri Tic. Ltd. Şti on 19 February 2024, making it the main partner and controlling party of the Company.

The shares of the Company are traded in Borsa Istanbul as of 9 August 1993 and the share in the actual circulation is 40,60%.

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

	2024		2023	
	End of Period	Average	End of Period	Average
Permanent Personnel	427	435	448	455
Temporary Personnel	308	575	291	524
Total	735	1,010	739	979

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Principles of measurement

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.1 Basic Principles of Presentation (Continued)

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

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

With the decision of CMB dated 28 December 2023 and numbered 81/1820, based on the announcement made by POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published on 23 November 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 31 December 2024.

As of 31 December 2024, adjustments were made to reflect changes in the general purchasing power of the Turkish Lira in compliance 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 1 January 2005, the indices and adjustment factors used in the restatement of the financial statements for the current and prior periods are as follows:

Date	Index	Correction Coefficient	3 -Year Combined Inflation Rate
31 December 2024	2,684.55	1,00000	291%
31 December 2023	1,859.38	1,443379	268%
31 December 2022	1,128.45	2,37897	156%

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

- TRY 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.1 Basic Principles of Presentation (Continued)

- All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.
- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the income statement in the net monetary position loss account.

Comparative figures

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

Reporting and Functional Currency

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

Going concern

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

Foreign Currency

Foreign currency transactions

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

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

Foreign exchange differences arising from the redistribution of the following items are recognized in other comprehensive income:

- Equity instruments recognized under equity, other equity items reflected in other comprehensive income (except for the purpose of impairment, foreign exchange differences recognized in other comprehensive income are reclassified to profit or loss),

Foreign exchange differences are recognized in profit or loss in the period in which they arise:

- Foreign exchange differences related to the assets that are being constructed for future use and included in the cost of such assets, which are considered as a correction item in the interest costs on the liabilities denominated in a foreign currency,
- Foreign exchange differences arising from transactions with the purpose of providing financial protection against the risks arising from the foreign currency (accounting policies for providing financial protection against risks).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.1 Basic Principles of Presentation (Continued)

Annual changes in Euro/TRY and USD/TRY exchange rates are as follows at the end of the reporting period:

	31 December 2024	31 December 2023
EUR/TRY	36,7362	32,5739
USD/TRY	35,2803	29,4382

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 15 April 2019 by POA and the format and mandatory information recommended by CMB.

Approval of financial statements:

The financial statements were approved by the Company's Board of Directors on 26 February 2025. General Assembly have the right to restate and other regulatory authorities have the right to demand its restatement.

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 Changes in significant accounting policies

The accounting policies applied in the financial statements of the company as of 31 December 2024 are the same as the accounting policies applied in the financial statements as of the year ending 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.5 New and Revised Accounting Standards

a. Standards, amendments, and interpretations applicable as of 31 December 2024:

- **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.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.
- **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.

The Board Decision of POA published in the Official Gazette dated 29 December 2023, it is announced that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024. The 5 January 2024 dated “Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)” lists the entities that fall within the scope of sustainability application in order to determine the entities that will be subject to sustainability reporting. On the other hand, in accordance with the “Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)” dated 16 December 2024, the scope of the entity subject to sustainability reporting has been changed.

b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide range of applications. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

In the letter dated 6 April 2023 sent by the Public Oversight Authority (POA) to the Association of Insurance, Reinsurance and Pension Companies of Turkey, it was stated that it was concluded that it would be appropriate to apply TFRS 17 in the consolidated and separate financial statements of insurance, reinsurance and pension companies, banks that have partnerships/investments in these companies and other companies that have partnerships/investments in these companies as of 1 January 2024.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.5 New and Revised Accounting Standards (Continued)

On the other hand, according to subparagraph (a) of the first paragraph of Article 13 of the “Regulation Amending the Regulation on Financial Reporting of Insurance, Reinsurance and Private Pension Companies and Pension Companies” by the Insurance and Private Pension Regulatory and Supervisory Board (SEDDK), the effective date of TFRS 17 was changed from “1 January 2024” to “1 January 2025”, It is stated that the application date of TFRS 17 has been postponed to 1 January 2025 in the consolidated and separate financial statements of reinsurance companies and pension companies, banks that have partnerships/investments in these companies and other companies that also have partnerships/investments in these companies.

However, due to the change of the effective date of TFRS 17 from “1 January 2025” to “1 January 2026” according to subparagraph (a) of the first paragraph of Article 13 of the “Regulation Amending the Regulation on the Financial Reporting of Insurance, Reinsurance and Pension Companies” by the SEDDK, the insurance in the letter dated 14 January 2025 sent by the POA to the Banks Association of Turkey, It is stated that the application date of TFRS 17 has been postponed to 1 January 2026 in the consolidated and separate financial statements of reinsurance companies and pension companies, banks that have partnerships/investments in these companies and other companies that also have partnerships/investments in these companies.

- **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).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.5 New and Revised Accounting Standards (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 effects of these changes on the financial position and performance of the Company are being evaluated.

2.6 Summary of Significant Accounting Policies

The accounting policies considered during the preparation of the financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months (Note 4)

Related parties

For the purpose of these financial statements, Koç Holding A.Ş., shareholders, key management personnel and Board members, in each case together with their families and companies, associates and joint ventures controlled by or affiliated with them are considered and referred to as related parties (Note 26).

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down (Note 9).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, costs include an appropriate share of production overheads based on normal operating capacity.

Tangible fixed assets

(i) Recognition and measurement

Property, plant and equipment are carried at restated cost less accumulated depreciation and accumulated impairment losses, if any. When property, plant and equipment are disposed of, the related cost and accumulated depreciation are removed from the related accounts and the resulting gain or loss is included in the income statement.

When the parts comprising, tangible fixed assets have different useful lives, they are accounted for as separate parts (significant parts) of the tangible fixed asset.

Gains or losses arising from the disposal of a tangible asset are recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditures can only be capitalized in cases where it is possible to transfer the economic benefits that will arise as a result of these expenditures to the Company.

(iii) Amortization

Tangible fixed asset items are subject to depreciation as of the day these assets are completed and ready for use for assets that are currently available or built by the Company. Depreciation is calculated by the straight-line method over the estimated useful lives of these items, after deducting the estimated residual values from the costs of tangible fixed assets. Depreciation is usually recognized in profit or loss unless it is included in the carrying amount of another asset.

Leased assets are depreciated over the shorter of the lease term and the useful life of the leased assets, if the Company will not take ownership of the leased asset with reasonable certainty at the end of the lease. Land is not depreciated.

The estimated useful lives of material fixed asset items in current and comparative periods are as follows:

- Underground and above ground layouts 5 - 30 years
- Buildings 10 - 50 years
- Machinery, plant and devices 3 - 20 years
- Flooring and fixtures 3 - 15 years
- Vehicles 4 - 10 years
- Private costs 4 - 6 years

Depreciation methods, useful lives and residual values are reviewed as of each reporting date and adjusted when necessary.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Intangible fixed assets

The estimated useful lives of material fixed asset items in non - current and comparative periods are as follows:

- Rights 3 - 15 years
- Other intangible assets 5 - 10 years

Depreciation methods, useful lives and residual values are reviewed as of each reporting date and adjusted when necessary.

Corporate income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, provided that taxable profits are likely to be available for their utilization. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

These types of investments and interest associated with the taxable temporary differences arising from the deferred tax asset in the near future taxable sufficient to obtain profit in the above mentioned differences can be utilized is probable and the future of the differences on the disappearance is probable that the conditions are calculated.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer’s interest in the net fair value of the acquirer’s identifiable assets, liabilities and contingent liabilities over cost.

Government grants

The Company recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognized.

Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company’s management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, (i) for a financial asset acquired at a discount or premium to its contractual par amount, (ii) a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition (iii).

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see (v) for derivatives designated as hedging instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See Note (v) for financial liabilities designated as hedging instruments.

ii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

iv) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

Company's other derivative financial instruments consist of forward transactions. These derivatives are accounted for as trading derivative financial instruments in the financial statements, since they do not meet the necessary conditions in the relevant standards in terms of protection against financial risk, although they provide an effective protection against risks for the Company economically. Company has determined the estimated fair values of financial instruments using already available market information and appropriate valuation principles.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Capital

The ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Provision for employee termination benefits

Employment termination benefits, represents the present value of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labor Law, employment termination without due cause, call up for military service and death of the employees after at least one year work.

Classified assets held for sale and discontinued operations

Instead of continuing to use, the disposal group consisting of fixed assets or assets and liabilities that are likely to be disposed of is classified as being for sale or distribution purposes.

Such assets or disposal group are measured with the lower of their net book value and their fair value less costs to sell. The impairment in the asset group to be disposed of is allocated primarily to goodwill and then, provided that no impairment loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties or biological assets, which are valued in accordance with the Company's accounting policies. It is allocated proportionally to the remaining assets and liabilities. As non-current assets held for sale or distribution, impairment losses on the date of first classification and gains and losses in subsequent measurements are recognized in profit or loss.

Intangible fixed assets and tangible fixed assets are not subject to depreciation or amortization after they are classified as held for sale or distribution. In addition, equity accounting is terminated for investments valued with the equity method.

Provisions, contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial tables and treated as contingent assets or liabilities.

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue from contracts with customers

IFRS 15 requires revenue recognition for all contracts with customers to follow the five-step approach to revenue recognition.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Step 1: Identifying the contract

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved, and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

Step 2: Identifying the performance obligations

The Company defines ‘performance obligation’ as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as:

- (a) A performance obligation either a good or service that is distinct;
- (b) Or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determining the transaction price

To determine the transaction price, the Company evaluates consideration it expects to receive upon fulfilling the contract. In arriving at the assessment, the Company considers variable elements of consideration, as well as the existence of a significant financing component

Significant financing component

The Company revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Company’s performance throughout the period, the Company concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

Variable consideration

The Company identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocating the transaction price to performance obligations

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Step 5: Recognition of revenue

The Company recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The customer controls the asset as the entity creates or enhances it, or
- Company’s performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Company uses a method that measures the work performed reliably. The Company uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used.

If a performance obligation is not satisfied over time, then the Company recognize revenue at the point in time at which it transfers control of the good or service to the customer.

The Company recognizes a provision in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

Contract changes

If the Company commits to offer additional goods or services, it accepts the contract change as a separate contract. In case of the termination of the existing contract and the creation of a new contract, if the goods or services offered are different, they shall recognize the related changes. If the amendment to the contract does not create separate goods or services, the entity shall, with the first contract, recognize by combining additional goods or services as if it were a part of the initial contract.

Sales of Goods

The revenue items that the Company generates revenue mainly consists of the sales of the manufactured food products to the related party companies. Revenue is recognized in the financial statements when the Company fulfils its performance obligation by transferring control of the promised products to its customers.

Dividend and interest income

Dividend income from equity investments is recognized when the shareholders' right to receive dividends is established (as long as it is possible for the Company to obtain economic benefits and to reliably measure revenue).

Interest income from financial assets is recognized when the Company is expected to obtain economic benefits and that the revenue can be measured reliably.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Short-term leases and leases of low - value assets

The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance income and cost

Finance income is comprised of interest income and foreign exchange gains. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs are comprised of interest expense on borrowings, transaction costs, coupon payments of bond, impairment losses recognized on financial assets (except for trade receivables). Borrowing costs that cannot be matched with acquisition, construction or production of an asset are recognized in profit or loss by using effective interest rate.

Discount, late payment and foreign exchange gains and losses arising from trading transactions are recognized in other operating income and expense.

Time difference financing income/expenses represent income/expenses incurred due to forward purchases and sales. Such income/expenses are considered as financial income and expenses arising from forward purchases and sales within the period and are included in other income and expenses from main activities during the maturity period.

Earnings per share/(loss)

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Cash flow statement

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash flows from operating activities reflect cash flows generated from the sales of goods and commodities of the Company. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

Netting/offset

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 3 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December are as follows:

	31 December 2024	31 December 2023
Banks	117,628,435	133,825,470
- Time deposit - TRY	100,796,889	26,077,962
- Demand deposit - TRY	577,209	1,627,892
- Demand deposit foreign currency	16,254,337	106,119,616
	117,628,435	133,825,470

The maturity date of the time deposit account is January 2, 2025 and the effective annual weighted average interest rate is TRY 44%. (31 December 2023: The maturity of time deposits is 2 January 2024 and the effective annual weighted average interest rate is TRY 40%).

As of 31 December 2024, there is no blockage on cash and cash equivalents. (2023: None)

Explanations on the nature and level of risks in cash and cash equivalents are disclosed in Note 27.

NOTE 4 - FINANCIAL ASSETS

	%	31 December 2024	%	31 December 2023
<u>Fair value change reflected in other comprehensive income - equity instruments :</u>				
Yapı Kredi Portföy Yönetimi A.Ş.	0,1	2,838,888	0,1	1,066,090
Ram Dış Ticaret A.Ş.	-	-	7,5	34,317,156
Düzey Ticaret A.Ş.	-	-	1,1	12,282,322
Others		537,042		11,164
		3,375,930		47,676,732

NOTE 5 - FINANCIAL BORROWINGS

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

	31 December 2024	31 December 2023
Short-term loans	1,359,017,377	693,630,427
Short term portions of long-term loans	139,383,227	165,303,821
Short-term portions of long-term issued bonds	774,528,898	881,200,675
Short-term issued bonds	398,450,273	1,327,604,209
Short-term leasing liabilities	20,356,992	33,118,569
Total short-term borrowings	2,691,736,767	3,100,857,701
Long-term loans	372,820,953	520,089,257
Long-term issued bonds	145,504,439	728,802,100
Long-term leasing liabilities	84,685,220	108,873,046
Total long-term financial borrowings	603,010,612	1,357,764,403
Total Borrowings	3,294,747,379	4,458,622,104

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 5 - FINANCIAL BORROWINGS (Continued)

The Company's decision dated 31.12.2024 does not have any pledges or mortgages given for its financial liabilities (31 December 2023: None).

The Company has local currency unsecured loans with fixed interest rates. The details of financial liabilities as at 31 December are as follows:

	The weighted average interest rate	Original amount	31 December 2024 Net book value (TRY)
Short term financial borrowings			
TRY borrowings	26.78%	340,000,000	340,000,000
USD borrowings	7.22%	17,900,000	653,527,554
EUR borrowings	6.67%	10,384,480	504,873,050
Bond issued and bills (*)	39.73%	960,000,000	1,172,979,171
			2,671,379,775
Long term financial borrowings			
EUR borrowings	7.73%	12,500,000	300,267,697
USD borrowings	8.74%	2,000,000	72,553,256
Bond issued and bills (*)	50.82%	230,000,000	145,504,439
			518,325,392

(*) Includes coupon interest rates for issued bonds and bills

	The weighted average interest rate	Original amount	31 December 2023 Net book value (TRY)
Short term financial borrowings			
TRY borrowings	24.58%	565,000,000	693,630,427
EUR borrowings	8.52%	15,000,000	165,303,821
Bond issued and bills (*)	42.42%	1,180,000,000	2,208,804,884
			3,067,739,132
Long term financial borrowings			
EUR borrowings	8.62%	15,000,000	520,089,257
Bond issued (*)	33.00%	620,000,000	728,802,100
			1,248,891,357

(*) Includes coupon interest rates for issued bonds and bills

As at 31 December, long-term loans denominated in TRY currency payment plan is as follows:

	31 December 2024	31 December 2023
To be paid on demand or within 1 year	2,671,379,775	3,067,739,132
1-2 years	518,325,392	1,248,891,357
	3,189,705,167	4,316,630,489

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 5 - FINANCIAL BORROWINGS (Continued)

As at 31 December, long-term leasing liabilities payment plan is as follows:

	31 December 2024	31 December 2023
To be paid on demand or within 1 year	20,356,992	33,118,569
1-2 years	11,700,770	21,147,042
2-3 years	10,597,131	13,941,140
3-4 years	13,189,963	11,617,248
4-5 years	16,878,548	13,892,976
More than 5 years	32,318,808	48,274,640
	105,042,212	141,991,615

The cash flow statement of the Company's financing activities is as follows:

	31 December 2024	31 December 2023
Opening balance on 1 January	4,458,622,104	5,970,595,503
<i>Cash transactions</i>		
Cash inflows from credit debts used	3,096,848,502	5,419,758,466
Cash outflow related to loan debt repayments	(2,976,253,875)	(5,016,558,807)
Cash outflow due to leasing	(70,543,136)	(53,433,702)
Change in interest accrual	(87,153,001)	63,985,503
Change in foreign exchange	185,038,430	257,338,603
Impact of new lease agreements/contract changes	13,228,133	171,495,615
Monetary Gain/Loss	(1,325,039,778)	(2,354,559,077)
31 December closing balance	3,294,747,379	4,458,622,104

Bank loan agreement provisions

The company has signed a foreign currency loan agreement on 9 November 2022. The loan includes commitments on the Net Financial Debt/EBITDA ratio within 2 years

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade receivables

The details of trade receivables are as follows as at 31 December:

	31 December 2024	31 December 2023
Trade receivables	1,023,019,036	387,927,052
Trade receivables from related parties (Note 26)	23,569,560	1,559,618,528
Provisions for doubtful receivables	(17,173,485)	(13,873,283)
	1,029,415,111	1,933,672,297

Movement of provision for doubtful receivables as of 31 December 2024 and 31 December 2023 are as follows:
The nature and level of risk in trade receivables are given in Note 27.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2024	31 December 2023
Opening balance	(13,873,283)	(6,548,505)
Provisions made during the year	(7,564,588)	(9,898,952)
Monetary Gain/Loss	4,264,386	2,574,174
	(17,173,485)	(13,873,283)

Trade Payables

As at 31 December, details of trade payables are as follows:

	31 December 2024	31 December 2023
Suppliers	894,150,738	1,133,527,627
Trade payables to related parties (Note 26)	7,969,842	144,152,543
	902,120,580	1,277,680,170

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

As at 31 December, other receivables and payables are as follows:

Short term other receivables:	31 December 2024	31 December 2023
Other receivables	2,865,572	14,567,282
	2,865,572	14,567,282
Long term other receivables:	31 December 2024	31 December 2023
Deposits and guarantees given	68,085	98,300
	68,085	98,300
Payables to third parties:	31 December 2024	31 December 2023
Taxes and funds payable	14,206,676	46,011,567
Other	417,624	12,193
	14,624,300	46,023,760

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 8 - INVENTORIES

As at 31 December, details of inventories are as follows:

	31 December 2024	31 December 2023
Raw material	428,661,995	429,525,547
Finished goods	3,147,915,308	3,931,167,339
Work in progress	37,139,556	120,125,667
Other inventory	3,992,327	3,488,449
Inventory impairment	(17,302,993)	(41,989,950)
	3,600,406,193	4,442,317,052

As at 31 December 2023, the provision for inventory impairment is TRY17,302,993 (31 December 2023: TRY41,989,950).

As at 31 December 2024, there are no assets pledged as collateral. (31 December 2023: None).

As at 31 December 2024, inventories are insured amounting to TRY3,568,120,290 (31 December 2023: TRY2,867,280,680).

NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

As at 31 December, details of prepaid expense and deferred income is as follows:

	31 December 2024	31 December 2023
Short-term prepaid expenses		
Expenses related to future months	51,873,214	40,882,259
Advances given for the purchase of inventory	10,498,637	17,878,531
	62,371,851	58,760,790
Short-term deferred income		
Advances received	71,747,282	59,903,466
	71,747,282	59,903,466

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and depreciation as of 31 December 2024 and 31 December 2023 are as follows:

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Cost:					
Lands	53,006,595	-	-	2,675,667	55,682,262
Underground and overland plants	226,564,353	64,250	(19,926)	48,551,560	275,160,237
Buildings	955,163,686	-	(510,249)	76,640,848	1,031,294,285
Machinery and equipment	4,592,768,291	11,974,015	(107,303,783)	118,767,300	4,616,205,823
Vehicles	21,756,318	6,969,681	-	407,854	29,133,853
Furniture and fixtures	420,319,827	15,915,937	(2,328,053)	18,018,158	451,925,869
Special costs	246,313,940	-	-	610,109	246,924,049
Construction in progress	12,585,842	298,035,721	-	(270,784,290)	39,837,273
	6,528,478,852	332,959,604	110,162,011	(5,112,794)	6,746,163,651
Accumulated depreciation:					
Underground and overland plants	85,251,034	9,502,941	(4,041)	-	94,749,934
Buildings	614,839,348	18,623,633	(510,249)	-	632,952,732
Machinery and equipment	3,216,003,135	125,984,648	(91,580,669)	-	3,250,407,114
Vehicles	11,831,092	1,389,696	-	-	13,220,788
Furniture and fixtures	336,838,153	17,445,214	(2,248,615)	-	352,034,752
Special costs	222,105,759	6,063,342	-	-	228,169,101
	4,486,868,521	179,009,474	(94,343,574)	-	4,571,534,421
Net book value	2,041,610,331				2,174,629,230

As at 31 December 2024, tangible assets are insured amounting to TRY6,877,362,780 (31 December 2023: TRY5.493.815.760).

As of 2024 and 2023 December, there are no guaranties, hypotecs and and mortgagees on fixed assets

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements of property, plant and equipment and depreciation as of 31 December 2024 and 31 December 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost:					
Lands	53,006,595	-	-	-	53,006,595
Underground and overland plants	205,215,220	21,270,635	-	78,498	226,564,353
Buildings	818,476,922	134,633,850	(6,253,123)	8,306,037	955,163,686
Machinery and equipment	4,442,207,378	197,438,792	(51,525,440)	4,647,561	4,592,768,291
Vehicles	21,570,062	186,256	-	-	21,756,318
Furniture and fixtures	449,914,540	15,354,664	(50,110,042)	5,160,665	420,319,827
Special costs	220,766,520	13,809,560	(795,071)	12,532,931	246,313,940
Construction in progress	47,560,571	512,535	-	(35,487,264)	12,585,842
	6,258,717,808	383,206,292	(108,683,676)	(4,761,572)	6,528,478,852
Accumulated depreciation:					
Underground and overland plants	76,381,879	8,869,155	-	-	85,251,034
Buildings	605,385,312	17,366,768	(7,912,732)	-	614,839,348
Machinery and equipment	3,143,925,401	125,813,587	(53,735,853)	-	3,216,003,135
Vehicles	10,420,247	1,487,690	(76,845)	-	11,831,092
Furniture and fixtures	372,839,437	17,443,547	(53,444,831)	-	336,838,153
Special costs	216,770,144	6,209,833	(874,218)	-	222,105,759
	4,425,722,420	177,190,580	(116,044,479)	-	4,486,868,521
Net book value	1,832,995,388				2,041,610,331

For the year ended 31 December 2024, depreciation expenses amounting to TRY156,940,745 (2023: TRY154,232,552) has been recognized under cost of sales, TRY20,099,365 (2023: TRY16,827,338) has been recognized under general administrative expenses, TRY1,969,364 (2023: TRY6,130,690) has been recognized under research and development expenses and, TRY0 (2023: TRY0) has been recognized under selling, marketing and distribution expenses.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 11 - INTANGIBLE ASSETS

For the years ended 31 December the movements of intangible assets and related accumulated amortization are as follows:

Costs:	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Rights	199,906,689	55,701,721	-	5,112,794	260,721,204
Other intangible assets	506,291	-	-	-	506,291
	200,412,980	55,701,721	-	5,112,794	261,227,495
Accumulated depreciation:					
Rights	95,976,116	22,181,215	-	-	118,157,331
Other intangible assets	25,309	29,752	-	-	55,061
	96,001,425	22,210,967	-	-	118,212,392
Net book value	104,411,555				143,015,103

Costs:	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Rights	145,784,025	49,378,903	(17,811)	4,761,572	199,906,689
Other intangible assets	22,621	483,670	-	-	506,291
	145,806,646	49,862,573	(17,811)	4,761,572	200,412,980
Accumulated depreciation:					
Rights	77,049,025	18,909,280	17,811	-	95,976,116
Other intangible assets	22,621	2,688	-	-	25,309
	77,071,646	18,911,968	17,811	-	96,001,425
Net book value	68,735,000				104,411,555

As of 31 December 2024, all of the amortization expenses amounting to TRY22,210,967 (2023: TRY18,911,968) have been included in general administrative expenses. With the approval granted by the Ministry of Science, Industry and Technology as of 6 October 2017, the Company's R & D Center started its activities to benefit from incentives and exemptions under the scope of No. 5746. As of 31 December 2024, there is no arrears were capitalized in intangible assets (2023 None).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 11 - INTANGIBLE ASSETS (Continued)

Right of use assets

Right of use assets as of 31 December 2024 are as follows:

Costs:	1 December 2024	Additions	Disposals (-)	31 December 2024
Buildings	321,710,529	25,490,543	(3,844,505)	343,356,567
Vehicles	93,763,111	2,622,738	(10,058,416)	86,327,433
Furniture and fixtures	34,874,759	1,254,152	(2,236,379)	33,892,532
	450,348,399	29,367,433	(16,139,300)	463,576,532
Accumulated depreciation:				
Buildings	135,127,640	39,050,483	(3,428,272)	170,749,851
Vehicles	53,711,520	27,166,592	(9,780,472)	71,097,640
Furniture and fixtures	26,822,279	4,263,865	(2,080,872)	29,005,272
	215,661,439	70,480,940	(15,289,616)	270,852,763
Net book value	234,686,960			192,723,769

Right of use assets as of 31 December 2023 are as follows:

Costs:	1 December 2023	Additions	Disposals (-)	31 December 2023
Buildings	179,888,246	141,822,283	-	321,710,529
Vehicles	62,082,066	31,681,045	-	93,763,111
Furniture and fixtures	27,225,040	7,649,719	-	34,874,759
	269,195,352	181,153,047	-	450,348,399
Accumulated depreciation:				
Buildings	74,302,260	60,825,380	-	135,127,640
Vehicles	35,436,640	18,274,880	-	53,711,520
Furniture and fixtures	22,059,805	4,762,474	-	26,822,279
	131,798,705	83,862,734	-	215,661,439
Net book value	137,396,647			234,686,960

NOTE 12 - GOVERNMENT INCENTIVES AND GRANTS

There are government incentives that allow the company to pay reduced corporate tax for its various investments. Such incentives are evaluated within the scope of TMS 12 "Income Taxes" standard; Deferred tax assets are recognized on the condition that it is highly probable to benefit from this advantage by obtaining taxable profit in the future over the amount of tax advantage.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 13 - COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

As at 31 December, the details of the provisions are as follows:

	31 December 2024	31 December 2023
Provisions		
Provisions for lawsuits	6,009,619	8,647,003
Shipping allowance	642,936	7,413,088
Provision for sales expenses	5,612,386	1,177,282
Provision for other administrative expenses	3,821,071	1,024,837
Other provisions	12,329,190	10,962,467
	28,415,202	29,224,677

The movements of provisions as of years ended 31 December are as follows:

Provisions for lawsuits	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	8,647,003	13,419,560
Additions during the period	20,519	502,583
Monetary Gain/Loss	(2,657,903)	(5,275,140)
	6,009,619	8,647,003

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The details of the guarantees, pledges, mortgages and bails (“TPMB”) given by the Company on behalf of the related parties, main shareholder or third parties in the scope of commercial activities or for other purposes are as follows:

	31 December 2024	31 December 2023
A. Total amount of TPMB given on behalf of own legal entity	862,532,617	593,086,546
B. Total amount of TPMBs given in favor of joint ventures	-	-
C. Total amount of TPMB's given to third parties for the purpose of carrying out ordinary commercial activities	-	-
D. Total amount of other TPMBs given	-	-
i) Total amount of TPMB given on behalf of main partner	-	-
ii) Total amount of TPMBs given in favor of other group companies not in the scope of clauses B and C.	-	-
iii) Total amount of TPMB's given in favor of third parties not covered by clause C.	-	-
	862,532,617	593,086,546

The Company has miscellaneous guarantee letters given to tax authorities (related to VAT return receivables), T. İhracat Kredi Bankası A.Ş. and customs which are amounting to TRY462,532,617 (31 December 2023: TRY593,086,546).

The ratio of other TPMB given to the shareholders' equity is 27% as of 31 December 2024 (31 December 2023: 18%).

All guarantees are given by the company are in local currency and there is no any pledges and mortgages given.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 15 - EMPLOYEE BENEFITS

Short-term employee benefits:

	31 December 2024	31 December 2023
Due to personnel	36,553,802	26,632,256
Social security premium payable	30,903,854	18,616,185
	67,457,656	45,248,441

Short-term provisions for employment benefits:

	31 December 2024	31 December 2023
Provision for unused vacation	10,002,831	15,603,937
	10,002,831	15,603,937

Long-term employee benefits

Severance pay liability:

Provision for employment termination benefits is recognized in accordance with the following explanations.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause. completed 25 years of service (20 years for women) and retired (58 years for women and 60 years for men), called up for military service or deceased. On 23 May, 2002, following the amendment of the legislation, certain transitional provisions regarding the period of service before retirement have been removed.

The severance pay liability is not legally subject to any funding and there is no funding requirement.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24.40% and a long-term interest rate of 28.01%, resulting in a real discount rate of approximately 2.90% (31 December 2023: 0.55%).

The principal assumption is that the maximum liability for each year of service will increase in line with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, As the maximum liability is revised semi-annually, the maximum amount of full TRY46.655,43 (1 January 2023: full TRY50.617,15) which is effective from 1 January 2024 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

The movement of employment termination provision as of 31 December is presented below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	92,538,239	111,876,033
Service cost	7,598,300	5,563,412
Interest cost	17,952,722	7,519,151
Paid in the period	(59,147,260)	(34,391,190)
Actuarial gains	28,722,132	30,004,412
Monetary Gain/Loss	(32,143,194)	(28,033,579)
	55,520,939	92,538,239

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 16 - OTHER ASSETS AND LIABILITIES

As at 31 December, other assets and liabilities are as follows:

Other current assets

	31 December 2024	31 December 2023
VAT transferred	358,990,417	475,400,376
Income accruals	4,868,684	11,286,433
VAT receivables arising from exports	4,019,225	3,989,738
Others	368,800	10,999,773
	368,247,126	501,676,320

Other non - current assets:

	31 December 2024	31 December 2023
Fixed asset advance paid	4,292,640	227,147
	4,292,640	227,147

NOTE 17 - EQUITY

a) Share capital and capital adjustment differences

The Company’s share capital of year 2024 consists of 13,600,000,000 number of shares and there is no preferred stock (2023: 13,600,000,000 number of shares).

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

	%	31 December 2024	%	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd. Şti.	49.84	67,788,852	-	-
Shares publicly open in stock exchange	40.60	55,217,844	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
Koç Holding A.Ş.	-	-	43.65	59,364,947
Others	1.04	1,416,264	6.42	8,745,169
Total Share Capital	100.00	136,000,000	100.00	136,000,000
Capital Correction Differences		2,815,913,086		3,257,583,444
Adjusted Capital		2,951,913,086		3,393,583,444

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

The Company has adopted the registered capital system in accordance with the provisions of the Capital Market Law (“CMB”) No: 6362 and passed to this system with the permission of the Capital Markets Board (“CMB”) dated 20 August 1992 and numbered 454. The registered capital ceiling of the Company is TRY250,000,000 and each Kuruş consists of 25,000,000,000 shares with a nominal value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 17 - EQUITY (Continued)

As of 31 December 2024, capital adjustment differences amounting to TRY2.815.913.086 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: TRY3.257.583.444).

The nominal values and inflation adjustment effects of the following items included in equity accounts in accordance with TFRS and TPL as of 31 December 2024 are as follows:

31 December 2024 (TFRS)	Nominal Value	Inflation adjustment effect	Indexed value
Capital	136.000.000	2.815.913.086	2.951.913.086
Share premiums	-	-	-
Legal reserves	119.908.083	764.704.078	884.612.161

31 December 2024 (TPL)	Nominal Value	Inflation adjustment effect	Indexed value
Capital	136.000.000	3.989.871.533	4.125.871.533
Share premiums	10.107.809	267.083.948	277.191.757
Yasal yedekler	119.908.083	716.540.537	836.448.620

b) Share premium

These premiums related to the shares that have been canceled by not participating in the capital increase are positive differences on the shares sold above the nominal value. As at 31 December 2024, the share of the Company's share in the financial statements is TRY0 (31 December 2023: TRY191,183,280).

c) Restricted reserves

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

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

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

	31 December 2024	31 December 2023
Legal reserves	54,908,198	54,908,285
Special reserves	829,703,963	884,612,162
Total	884,612,161	939,520,447

Legal Reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Such reserves can be used to take measures suitable for continuing the business or preventing unemployment and mitigating the results only when the losses are not going well, unless the Company's capital exceeds half of the paid capital.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 17 - 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. However, the sale price must be collected until the end of the second calendar year following the year the sale is made.

d) Other comprehensive income or expenses not recognized in profit or loss

Defined benefit plans re-measurement gains/(losses):

As of 31 December 2024, actuarial loss amounting to TRY92,805,661 is recognized as other comprehensive income (31 December 2023: actuarial loss amounting to TRY71,264,062).

e) Accumulated other comprehensive income or expenses to be reclassified to profit or loss

Financial asset revaluation and classification gains:

As of 31 December 2024, it consists of revaluation and reclassification gains on financial assets amounting to TRY0 (31 December 2023: TRY125,205,788).

Losses related to cash flow hedging:

As of 31 December 2024, TRY251,382,110 (31 December 2023: TRY237,095,914).

f) Dividend distribution

The Company does not distribute dividends. (2023: None)

NOTE 18 - SALES AND COST OF SALES

As at 31 December, details of revenue and sales cost are as follows:

	31 December 2024	31 December 2023
Domestic sales	3,973,102,155	5,577,621,464
Foreign sales	2,359,657,318	2,726,589,913
Net sales	6,332,759,473	8,304,211,377
Raw material costs	(3,193,967,827)	(4,649,245,445)
General production expenses	(643,934,771)	(751,194,744)
Labor costs	(390,389,139)	(375,558,578)
Depreciation costs	(165,288,494)	(164,938,994)
Change in inventory	(783,252,031)	(1,214,945,258)
Cost of goods sold	(5,176,832,262)	(7,155,883,019)
Trade goods sold	(216,082,741)	(248,730,314)
Other cost of sales	(277,516,713)	(374,331,311)
Cost of sales	(5,670,431,716)	(7,778,944,644)
Gross profit	662,327,757	525,266,733

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 19 - EXPENSES BY NATURE

As at 31 December, details of research and development expenses are as follows:

	31 December 2024	31 December 2023
Research and development expenses:		
Personnel expenses	(18,404,623)	(18,772,868)
Depreciation expenses	(2,465,939)	(2,504,438)
Other	(3,208,680)	(1,750,815)
	(24,079,242)	(23,028,121)

As at 31 December, the details of general and administrative expenses are as follows:

	31 December 2024	31 December 2023
Marketing, sales and distribution expenses:		
Personnel expenses	(173,722,400)	(160,912,651)
Shipping and insurance expenses	(142,049,676)	(171,898,216)
Advertising expenses	(59,676,240)	(78,534,322)
Export expenses	(52,088,785)	(66,761,823)
Subcontracting expenses	(40,858,789)	(31,186,561)
Sales support expenses	(23,260,637)	(37,597,457)
Action, sale, incentive and gondola participation costs	-	(17,995,924)
Other	(35,912,516)	(48,592,454)
	(527,569,043)	(613,479,408)

As at 31 December, details of research and development expenses are as follows:

	31 December 2024	31 December 2023
General and administrative expenses:		
Personnel expenses	(233,056,533)	(262,892,436)
Depreciation and amortization	(103,946,948)	(112,521,850)
Severance expense	(55,816,335)	(42,085,277)
Information technology expenses	(42,380,197)	(51,852,065)
Administrative expenses	(24,217,502)	(37,611,977)
Consultancy and lawsuit expenses	(12,397,144)	(113,367,529)
Tax and duties expenses	(9,974,858)	(17,959,249)
Transport, travel expenses	(9,424,503)	(15,670,641)
Repair and maintenance expenses	(2,874,195)	(6,476,682)
Other	(15,896,116)	(26,584,972)
	(509,984,331)	(687,022,678)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 20 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

As at 31 December, details of other income and profits from operating activities are as follows:

	31 December 2024	31 December 2023
Other Operating Income		
Term differences interest income from trading activities	444,382,167	582,365,532
Foreign exchange gain on trading activities	73,643,792	340,675,181
Others	41,314,854	58,671,231
	559,340,813	981,711,944

As at 31 December, details of other expenses and losses from operating activities are as follows:

	31 December 2024	31 December 2023
Other Operating Income		
Term differences interest expense of trading activities	(202,226,925)	(222,602,745)
Foreign exchange loss on trading activities	(36,189,332)	(89,288,161)
Expenses due from provisions of lawsuit and others	(7,564,588)	(9,970,073)
Others	(5,057,192)	(34,755,083)
	(251,038,037)	(356,616,062)

NOTE 21 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

As at 31 December, investment income and profits from operations is as follows:

	31 December 2024	31 December 2023
Income from Investing Activities		
Rent income	5,576,807	1,970,804
Gain on sale of property, plant and equipment	2,097,558	4,542,185
Dividend income	-	7,928,526
	7,674,365	14,441,515

NOTE 22 - FINANCIAL INCOME AND EXPENSES

As at 31 December, financial incomes are as follows:

	31 December 2024	31 December 2023
Interest income on bank deposits	29,523,436	85,611,689
Foreign exchange gains	17,943,225	100,502,960
Export foreign exchange conversion incentive revenues	7,108,139	-
	54,574,800	186,114,649

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 22 - FINANCIAL INCOME AND EXPENSES (Continued)

The financial expenses for the years ended 31 December are as follows:

	31 December 2024	31 December 2023
Bond interest expense	(696,840,753)	(819,429,460)
Bank loans interest expenses	(250,490,854)	(283,836,396)
Foreign exchange expenses	(117,625,606)	(54,050,626)
Leasing liabilities interest expenses	(29,808,437)	(28,591,661)
Other	(46,160,262)	(82,674,097)
	(1,140,925,912)	(1,268,582,240)

NOTE 23 - EXPLANATIONS REGARDING NET MONETARY POSITION GAINS / (LOSSES)

Non-monetary Items	31 December 2024
Statement of Financial Position Items	23,356,236
Inventories	981,314,053
Advances given	2,540,533
Subsidiaries	136,156
Property, plant and equipment	750,093,109
Intangible assets	15,046,966
Right of use assets	36,386,849
Advances received	(2,515,920)
Deferred tax liabilities	(50,315,721)
Share capital	(1,043,114,578)
Changes in fair value	76,817,510
Gains/losses on remeasurement of defined benefit plans	11,433,255
Restricted profit reserves	(288,788,383)
Retained Earnings/Accumulated Losses	(465,977,594)
Profit and Loss Statement Items	813,866,906
Sales	(788,250,330)
Cost of sales	1,271,429,981
Marketing expenses	77,437,115
General administrative expenses	156,121,972
Research and development expenses	5,466,703
Other income from operating activities	(73,070,775)
Other expenses from operating activities	26,414,554
Income from investing activities	(9,085,753)
Finance income	(7,896,161)
Finance expense	155,299,600
NET MONETARY POSITION GAIN	837,223,142

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 24 - TAX ASSETS AND LIABILITIES

	1 January - 31 December 2024	1 January - 31 December 2023
Deferred tax expense	(72,911,799)	49,633,170
Current tax expense	-	(43,846,155)
Other	-	(41,413,410)
Total tax expense	(72,911,799)	(35,626,395)

	31 December 2024	31 December 2023
Current tax (asset)/liability		
Prepaid taxes and funds (-)	-	(60,958,984)
Current corporate tax provision	-	34,544,323
	-	(26,414,661)

Corporate Tax

Corporate Tax Law No. 5520 dated 13 June 2006 was published in the Official Gazette dated 21 June 2006. Many provisions of the new Corporate Tax Law No. 5520 entered into force as of 1 January 2006. Article 21 of the Law No. 7456 "Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375" sets the corporate tax rate as 25%. In this context, the corporate tax rate applied to 2024 earnings is 25% for 2023 (2023: 25%). Corporate tax is payable at a rate of 25% on the total income of the Company after adjusting for certain disallowable expenses and deducting certain exemptions and allowances for tax purposes. Losses can be carried forward to offset against future taxable income, subject to the conditions stipulated in the Law, up to a maximum of Can be carried forward for 5 years. However, losses cannot be deducted retrospectively from the profits of previous years.

In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax is declared until the evening of the last day of the fourth month following the close of the accounting period and paid within the same period.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

Investment Incentive Certificate dated 03 May 2018 and numbered 136922 has been obtained for the modernization investment of İzmir Torbalı Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

Investment Incentive Certificate dated 24 April 2018 and numbered 136771 has been obtained for the modernization investment of our Bursa Karacabey Canned Plant. VAT and Customs Duty Exemption are applied for investments made under the document.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

Investment Incentive Certificate dated 26 March 2020 and numbered 509964 has been obtained for the modernization investment of Bursa Mustafakemalpaşa Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer's Share support is applied for the investments made under the document.

Investment Incentive Certificate dated 11 March 2021 and numbered 521238 has been obtained for the modernization investment of Bursa Karacabey Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

Investment Incentive Certificate dated 10 March 2021 and numbered 521171 has been obtained for the modernization investment of İzmir Torbalı Canned Plant. 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support is applied for the investments made within the scope of the document.

An Investment Incentive Certificate dated 3 May 2018 and numbered 136922 was obtained for the modernization investment of our Izmir Torbalı Canned Food Plant. For the investments made within the scope of the certificate, 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support are applied.

Investment Incentive Certificate dated 24 April 2018 and numbered 136771 was obtained for the modernization investment of our Bursa Karacabey Canned Food Plant. VAT and Customs Duty Exemption is applied for the investments made within the scope of the certificate.

Investment Incentive Certificate dated 26 March 2020 and numbered 509964 was obtained for the modernization investment of our Bursa Mustafakemalpaşa Canned Food Plant. In the investments made within the scope of the document, 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer Share support are applied.

Investment Incentive Certificate No. 521238 dated 11 March 2021 was obtained for the modernization investment of our Bursa Karacabey Canned Food Plant. In the investments made within the scope of the certificate, 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer's Share support are applied.

An Investment Incentive Certificate dated 10 March 2021 and numbered 521171 was obtained for the modernization investment of our İzmir Torbalı Canned Food Plant. In the investments made within the scope of the document, 50% Tax Reduction, VAT and Customs Duty Exemption and Insurance Premium Employer's Share support are applied.

Deferred Tax:

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

DİPNOT 24 - VERGİ VARLIK VE YÜKÜMLÜLÜKLERİ(Devamı)

The breakdown of total temporary differences and deferred tax assets and liabilities using current tax rates as of 31 December is as follows:

Deferred tax liabilities/(assets):	31 December 2024	31 December 2023
Difference between tax base and carrying value of inventories	(83,570,690)	(84,121,928)
Difference between tax base and carry value of property, plant and equipment	(42,699,982)	(21,879,136)
Right of use assets and liabilities, net	(25,932,260)	(23,173,836)
Severance pay liability	13,880,235	23,134,560
Maturity difference	5,283,746	48,272,893
Provision for unused vacation	2,500,708	3,900,983
Provision for litigation expenses	1,502,405	2,161,751
Sales expense provisions	1,403,097	294,321
Other	20,996,743	5,796,368
	(106,635,998)	(45,614,024)

Movement of the deferred tax for the years ended 31 December 2024 and 31 December 2023 is as follows:

Deferred tax assets movements:	31 December 2024	31 December 2023
Opening balance as of 1 January	(45,614,024)	(160,113,179)
Deferred tax income	(72,911,799)	49,633,170
Recognized directly in equity	11,889,825	64,865,985
	(106,635,998)	(45,614,024)

Total charge for the year can be reconciled to the accounting profit as follows:

	31 December 2024	31 December 2023
The reconciliation of tax:		
Period profit from continuing operations	(332,455,688)	(88,892,259)
Effective tax rate	25%	20%
Current period tax expense	83,113,922	17,778,452
Tax effect		
- Tax effect of nondeductible expenses	(72,480,188)	(17,038,421)
- Tax effect of government incentives and grants	-	11,208,686
- Prior year losses on which deferred tax is not provided	(114,457,879)	-
- Monetary Gain/Loss	22,196,073	(52,294,030)
- Other	8,716,273	4,718,918
Tax provision expense on income statement	(72,911,799)	(35,626,395)

Tax deductions arising from investment incentive certificates, production and export earnings have been provided and the Company's effective tax rate is considered as 20% (2023 20%).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 25 - EARNINGS PER SHARE

As at 31 December, earnings/(loss) calculation of per common and diluted share of main companies stakeholders is as follow:

	31 December 2024	31 December 2023
Net profit of the period for continuing operations	(405,367,487)	(124,518,654)
Average number of shares available during the period	136,000,000	136,000,000
Earnings per common and diluted share due from continuing operations	(2.98)	(0.92)
Loss per common and diluted share	(2.98)	(0.92)

NOTE 26 - RELATED PARTY TRANSACTIONS

i) As at 31 December, the details of receivables and payables from related parties are as follows:

a) Bank deposits:

Yapı ve Kredi Bankası A.Ş.	31 December 2024	31 December 2023
Time Deposits	-	107,456,537
	-	107,456,537

b) Receivables from related parties:

	31 December 2024	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	22,565,331	-
Tat Bakliyat San.ve Tic.A.Ş.	798,504	-
Tatlog Lojistik Hizmetleri A.Ş.	205,725	-
Düzyey Tüketim Malları Sanayi Pazarlama Ve Ticaret A.Ş.	-	1,459,285,423
Ram Dış Ticaret A.Ş.	-	100,135,150
Other	-	197,955
	23,569,560	1,559,618,528

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 26 - RELATED PARTY TRANSACTIONS (Continued)

c) Payables to related parties:

	31 December 2024	31 December 2023
Tatlog Lojistik Hizmetleri A.Ş.	7,077,292	-
Temel Ticaret Yatırım A.Ş.	892,550	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	68,325,967
Yapı Kredi Bankası A.Ş.	-	30,505,865
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	22,992,416
Koç Sistem A.Ş.	-	12,977,600
Otokoç Otomotiv Tic.ve San.A.Ş.	-	2,704,852
Ingage Dijital Pazarlama A.Ş.	-	1,649,441
Ram Dış Ticaret A.Ş.	-	1,221,137
Ark İnşaat San ve Tic. A.Ş.	-	609,849
Setur Servis Turistik A.Ş.	-	497,483
Koç Holding Emekli ve Yardım Sandığı	-	281,233
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	-	455,006
Other	-	1,931,694
	7,969,842	144,152,543
Other Payables		
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	60,796,889	-
Koç Holding A.Ş.	-	66,526,596
Total trade and other payables	68,766,731	210,679,139

	31 December 2024	31 December 2023
Leasing borrowings		
Memişoğlu Tarım Ürünleri Tic.Ltd.Şti	467,911	-
Otokoç Otomotiv Tic.ve San.A.Ş.	-	29,040,183
Total leasing borrowings	467,911	29,040,183

ii) As at 31 December, the details of significant sales to related parties and purchases from related parties are as follows:

a) Net sales to related parties:

	31 December 2024	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	497,880,668	-
Tat Bakliyat San.ve Tic.A.Ş.	60,695,371	-
Düzey Tüketim Malları Sanayi Pazarlama Ve Ticaret A.Ş.	-	4,988,840,527
Ram Dış Ticaret A.Ş.	-	701,281,642
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	2,583,934
	558,576,039	5,692,706,103

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 26 - RELATED PARTY TRANSACTIONS (Continued)

b) Purchases from related parties:

	31 December 2024	31 December 2023
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	83,697,799	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	169,812,008
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	-	112,814,011
Opet Petrolcülük A.Ş.	-	17,115,538
Ark İnşaat San ve Tic. A.Ş.	-	12,440,225
Koç Sistem A.Ş.	-	10,081,619
Opet Fuchs Madeni Yağ San.ve Tic. A.Ş.	-	87,192
Other	-	156,429
	83,697,799	322,507,022

c) Service purchases from related parties:

	31 December 2024	31 December 2023
Tatlog Lojistik Hizmetleri A.Ş.	9,289,651	-
Temel Ticaret ve Yatırım A.Ş.	-	10,708,706
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	259,503,311
Koç Holding A.Ş.	-	109,241,122
Düzyey Tüketim Malları Sanayi Pazarlama Ve Ticaret A.Ş.	-	55,652,399
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	46,798,518
Koç Sistem A.Ş.	-	46,739,562
Ram Dış Ticaret A.Ş.	-	31,853,685
Otokoç Otomotiv Tic.ve San.A.Ş.	-	23,991,991
Setur Servis Turistik A.Ş.	-	12,386,361
Ingage Dijital Pazarlama A.Ş.	-	9,894,468
Other	-	11,444,593
	9,289,651	618,214,716

iii) As at 31 December, the details of financial income and expenses from/to related parties are as follows:

a) Interest income:

	31 December 2024	31 December 2023
Yapı ve Kredi Bankası A.Ş.	-	129,891
	-	129,891

b) Interest expense:

	31 December 2024	31 December 2023
Yapı ve Kredi Bankası A.Ş.	-	6,845,486
	-	6,845,486

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 26 - RELATED PARTY TRANSACTIONS (Continued)

iv) As at 31 December, the details of significant sales to related parties and purchases from related parties are as follows:

a) Rental payments:

	31 December 2024	31 December 2023
Temel Ticaret ve Yatırım A.Ş.	7,884,157	14,405,851
Memişoğlu Tarım Ürünleri Tic. Ltd Şti	747,898	-
Otokoç Otomotiv Tic.Ve San.A.Ş.	-	6,946,630
	8,632,055	21,352,481

b) Payments made to members of the Board of Directors and senior management personnel

Senior executives of Tat Gıda are determined as the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Directors directly affiliated with the General Manager. For the 12-month period ended 31 December 2024; the total of benefits provided to Tat Gıda's senior executives is TRY162,411,964 (31 December 2023: TRY104,196,177). All of the payments are short-term in nature and do not include separation payments.

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The company aims to increase its profits by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its activities in capital management the Company's capital risk consists of short-term and long-term financial liabilities disclosed in Note 6, cash and cash equivalents disclosed in Note 4 and equity items disclosed in Note 18.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or rearrange capital structure, the Company can return back capital to shareholders, issue new shares and sale assets in order to decrease debt requirement.

The Company controls its capital using the net debt/total capital ratio. This ratio is the calculated as net debt divided by the total capital amount. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing, trade payables and payables to related parties as presented in the balance sheet) less cash and cash equivalents. Total capital is calculated as shareholders' equity plus the net debt amount as presented in the balance sheet.

As at 31 December the debt to equity ratio is as follows:

	31 December 2024	31 December 2023
Total Liabilities (Note 6)	3,294,747,379	4,458,622,105
Less: Cash and cash equivalents (Note 4)	(117,628,435)	(133,825,470)
Net Debt	3,177,118,944	4,324,796,635
Total Equity	3,086,969,989	3,402,959,484
Net Liability/Equity	1,0292	1,2709

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**NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS
(Continued)**

b) Financial Risk Factors

The risks of the Company, resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company’s risk management program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Company. The Company uses derivative financial instruments in order to safeguard itself from different financial risks.

Risk management is implemented by finance department according to the policies approved by Board of Directors. The Company’s finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. The written procedures are formed by Board of Directors to manage the foreign currency risk, interest risk, credit risk, use of derivative and non-derivative financial instruments and the assessment of excess liquidity.

There are not any changes in financial risk factors and credit risk management of the Company as compared to previous year.

b.1) Credit risk management

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

Trade receivables consist of many customers that operate in various industries and locations. Credit risk of the receivables from counterparties are evaluated perpetually.

TAT GIDA SANAYİ A.Ş.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

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NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2024	Trade Receivables				Deposit in Banks	Derivatives
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	23,569,560	1,005,845,551	-	2,933,657	117,628,435	-
- The portion of the maximum risk guaranteed by collateral	-	132,663,589	-	-	-	-
A. Net book value of financial assets not overdue or impaired	-	620,057,461	-	2,933,657	117,628,435	-
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	23,569,560	385,788,090	-	-	-	-
- Collateral, etc. secured part	-	53,412,055	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	17,173,485	-	-	-	-
- Impairment (-)	-	(17,173,485)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

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NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Trade Receivables				Deposit in Banks	Derivatives
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposure as of the reporting date (A+B+C+D+E)	1,559,618,528	374,053,769	-	14,665,582	133,825,470	-
- The portion of the maximum risk guaranteed by collateral	1,804,785	41,473,312	-	-	-	-
A. Net book value of financial assets not overdue or impaired	1,122,942,614	186,924,980	-	14,665,582	133,825,470	-
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	436,675,914	187,128,789	-	-	-	-
- Collateral, etc. secured part	1,804,785	11,083,355	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	13,873,283	-	-	-	-
- Impairment (-)	-	(13,873,283)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
E. Off-balances sheet items with credit risk	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2024	Trade Receivables	Other Receivables	Deposits in Banks	Others
Past due 1-30 days	178,151,747	-	-	-
Past due 1-3 months	65,700,330	-	-	-
Past due 3-12 months	165,505,573	-	-	-
Total past due receivables	409,357,650	-	-	-

31 December 2023	Trade Receivables	Other Receivables	Deposits in Banks	Others
Past due 1-30 days	345,815,713	-	-	-
Past due 1-3 months	266,649,608	-	-	-
Past due 3-12 months	11,339,382	-	-	-
Total past due receivables	623,804,703	-	-	-

As of 31 December, letter of guarantees held for the trade receivables that are past due as but not provision booked is as follows:

	2024 Nominal Value	2023 Nominal Value
The part under guarantee with collateral	53,412,055	12,888,140

b.2) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the board of directors. The board of directors has built an appropriate liquidity risk management framework for the management of the Company’s short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table presents the maturity of Company’s non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non - derivative financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2024

Contractual maturity analysis	Carrying value	Total cash outflows in accordance with contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank borrowings and issued bonds	3,189,705,167	3,419,614,060	670,000,000	2,001,379,775	748,234,285	-
Trade payables	894,150,738	894,150,738	894,150,738	-	-	-
Trade payables to related parties	7,969,842	7,969,842	7,969,842	-	-	-
Derivative financial liabilities						
Derivative instruments liabilities	-	-	-	-	-	-
Total liabilities	4,091,825,747	4,321,734,640	1,572,120,580	2,001,379,775	748,234,285	-

31 December 2023

Contractual maturity analysis	Carrying value	Total cash outflows in accordance with contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank borrowings and issued bonds	4,316,630,489	4,432,308,066	-	2,397,301,943	2,035,006,123	-
Trade payables	1,133,527,627	1,133,527,627	1,133,527,627	-	-	-
Trade payables to related parties	144,152,543	144,152,543	144,152,543	-	-	-
Derivative financial liabilities						
Derivative instruments liabilities	-	-	-	-	-	-
Total liabilities	5,594,310,659	5,709,988,236	1,277,680,170	2,397,301,943	2,035,006,123	-

b.3) Market risk management

The Company's activities expose it to a variety of financial risks including foreign currency risk and interest rate risk as explained below. The Company uses derivative financial instruments to hedge certain risk exposures in order to manage foreign currency and interest rate risks. Market risk exposures are also measured by sensitivity analysis and stress scenarios.

There has been no change in the Company's exposure to market risks or the manner which it manages and measures the risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

b.4) Foreign currency risk management

Transactions in foreign currencies cause foreign currency risk. Currency risk is managed by foreign currency purchase/sale contracts based on the approved policies.

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

31 December 2024	TRY Equivalent	USD	EUR	Others
1. Trade receivables	212,189,896	2,011,712	3,796,542	39,486
2.a Monetary financial assets	16,257,594	108,508	332,782	4,621
2.b Non - monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	228,447,490	2,120,220	4,129,324	44,107
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. NON - CURRENT ASSETS	-	-	-	44,107
9. TOTAL ASSETS	228,447,490	2,120,220	4,129,323	
10. Trade payables	81,501,117	1,644,859	631,484	2,823
11. Financial liabilities	1,567,046,915	20,266,010	23,117,218	-
12.a Other monetary liabilities	562,756	15,922	-	-
12.b Other non - monetary financial liabilities	20,080,416	568,145	-	-
13. CURRENT LIABILITIES	1,669,191,204	22,494,936	23,748,702	2,823
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16.a Other monetary liabilities	1,176,900	33,299	-	-
16.b Other non - monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	1,176,900	33,299	-	-
18. TOTAL LIABILITIES	1,670,368,104	22,528,235	23,748,702	2,823
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	(1,441,920,614)	(20,408,015)	(19,619,379)	41,284
21. Net foreign currency asset / liability position of monetary items (1+2a+6a-10-12a-14-15-16a)	(1,421,840,198)	(19,839,870)	(19,619,379)	41,284
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-

TAT GIDA SANAYİ A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	TRY Equivalent	USD	EUR	Others
1. Trade receivables	700,276,192	4,914,304	10,448,797	-
2.a Monetary financial assets	107,294,861	27,652	2,256,430	-
2.b Non - monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	807,571,053	4,941,956	12,705,227	-
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. NON - CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	807,571,053	4,941,956	12,705,227	-
10. Trade payables	85,412,516	899,655	999,815	-
11. Financial liabilities	-	-	-	-
12.a Other monetary liabilities	809,732	19,017	-	-
12.b Other non - monetary financial liabilities	71,956,866	1,693,000	-	-
13. CURRENT LIABILITIES	158,179,114	2,611,672	999,815	-
14. Trade payables	-	-	-	-
15. Financial liabilities	714,002,177	-	15,154,577	-
16.a Other monetary liabilities	1,693,403	39,771	-	-
16.b Other non - monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	715,695,580	39,771	15,154,577	-
18. TOTAL LIABILITIES	873,874,694	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	(66,303,641)	2,290,513	(3,449,165)	-
21. Net foreign currency asset / liability position of monetary items (1+2a+6a-10-12a-12b-14-15-16b)	5,653,225	3,983,513	(3,449,165)	-
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

Currency risk sensitivity

The Company is mainly exposed to foreign currency risk in USD and EUR.

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

	31 December 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	144,259,360	(144,259,360)
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	144,259,360	(144,259,360)
	In the case of appreciation of EUR at 20% ratio compared to TRY	
4 - EUR net asset/liability	144,408,039	(144,408,039)
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	144,408,039	(144,408,039)
	In the case of appreciation of GBP at 20% ratio compared to TRY	
7 - GBP net asset/liability	366,914	(366,914)
8 - Part of hedged from GBP risk (-)	-	-
9 - GBP net effect	366,914	(366,914)
TOTAL	289,034,313	(289,034,313)

	31 December 2023 Profit / Loss	
	Appreciation of foreign currency	Devaluation of foreign currency
	In the case of appreciation of USD at 20% ratio compared to TRY	
1 - USD net asset/liability	19,470,542	19,470,542
2- Part of hedged from USD risk (-)	-	-
3- USD net effect	19,470,542	19,470,542
	In the case of appreciation of EUR at 20% ratio compared to TRY	
4 - EUR net asset/liability	(32,442,757)	(32,442,757)
5 - Part of hedged from EUR risk (-)	-	-
6- EUR net effect	(32,442,757)	(32,442,757)
	In the case of appreciation of GBP at 20% ratio compared to TRY	
7 - GBP net asset/liability	-	-
8 - Part of hedged from GBP risk (-)	-	-
9 - GBP net effect	-	-
TOTAL	(12,972,215)	12,972,215

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 27 - NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)

Interest rate risk management

Borrowing the Company at fixed interest rates exposes the Company to interest rate risk.

Interest-sensitive financial instruments are as follows:

Fixed Rate Instruments	Interest Position Table	
	31 December 2024	31 December 2023
Financial Assets	100,796,889	26,077,962
Financial Liabilities	3,294,747,379	4,458,622.104

DİPNOT 28 - HEDGE ACCOUNTING FOR HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK

The Company provides hedging against the foreign exchange risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future within the scope of the agreements it has made and the corporate budget.

In this context, repayments of foreign currency borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

Within the scope of the currency risk management strategy it has determined, the Company applies hedge accounting for the purpose of hedging the currency risk component of the highly probable estimated transaction cash flow risk, and the foreign exchange rate that has occurred on the hedging instrument, whose effectiveness has been mathematically proven in accordance with TFRS 9, has not yet been realized. It pulls the fluctuations from the income statement and parks it in the comprehensive income statement and aims to present a healthier income statement.

The Company pays attention to maintain a 100% hedging ratio and a hedging efficiency between 80% and 150% within the scope of the hedge accounting it has established, and as of 31 December 2024, the hedging efficiency has been calculated as %129,115. (31 December 2023: 82,7%-149,9%)

	31 December 2024	31 December 2023
USD		
The present value of the hedged item (current portion)	3,953,684	-
The present value of the hedged item (non-current portion)	8,546,882	25,206,776
Hedging instrument present value (current portion)	2,500,000	-
The present value of the hedged item (non-current portion)	10,000,000	21,656,850
	31 December 2024	31 December 2023
TRY		
Cumulative exchange difference on the hedged item (current portion)	64,655,634	-
Cumulative exchange difference on the hedged item (non-current portion)	138,699,964	305,111,060
Cumulative exchange difference on the hedging instrument (current portion)	42,327,063	-
Cumulative exchange difference on the hedged item (non-current portion)	161,019,625	269,050,627
Hedging effectiveness rate	100%	82,7%-149,9%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 29 - FINANCIAL INSTRUMENTS

Financial instruments classification and fair value

	Book Value		Fair Value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<u>Financial Assets</u>				
Cash and cash equivalents	117,628,435	133,825,470	117,628,435	133,825,470
Trade receivables	1,005,845,551	374,053,769	1,005,845,551	374,053,769
Receivables from related parties	23,569,560	1,559,618,528	23,569,560	1,559,618,528
Other financial assets	3,375,930	47,676,732	3,375,930	47,676,732
<u>Financial Liabilities</u>				
Loan and borrowings	3,294,747,379	4,458,622,104	3,294,747,379	4,458,622,104
Trade payables	894,150,738	1,133,527,627	894,150,738	1,133,527,627
Payables to related parties	7,969,842	144,152,543	7,969,842	144,152,543

Estimated fair values of financial instruments have been determined by the Company by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

Carrying values of cash and cash equivalents and trade receivables are assumed to reflect their fair values due to their short-term nature.

Financial liabilities

Fair values of short-term borrowings and trade payables are assumed to approximate their carrying values due to their short-term nature.

Bank borrowings are measured at their amortized cost. It is estimated that the borrowings' fair values approximate to their carrying values.

The fair value of financial assets and financial liabilities are determined as follows:

- 1) First level: Financial assets and liabilities in active markets for identical assets and liabilities are valued at the quoted prices.
- 2) Second level: Financial assets and liabilities and the related assets or liabilities other than quoted prices in first level directly or indirectly observable market prices are used to determine valuation.
- 3) Third level: Financial assets and liabilities, assets or liabilities that are used in determining the fair value observed in the market valuation is based on the data.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Fair Value of Financial Instruments

The fair values of the financial assets and liabilities classification level are as follows:

31 December 2024	Level of fair value as of reporting date		
	1st Level TRY	2nd Level TRY	3rd Level TRY
Financial assets	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	3,375,930
Derivative instruments	-	-	-
Total	-	-	3,375,930
Financial liabilities	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	-
Total	-	-	-

31 December 2023	Level of fair value as of reporting date		
	1st Level TRY	1st Level TRY	1st Level TRY
Financial assets	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	47,676,732
Derivative instruments	-	-	-
Total	-	-	47,676,732
Financial liabilities	-	-	-
Fair value change reflected in other comprehensive income - equity instruments	-	-	-
Total	-	-	-

NOTE 30 - DISCLOSURE OF FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR OR AUDITOR'S

	31 December 2024 Company Independent Audit Firm	31 December 2023 Company Independent Audit Firm
Independent audit fee for the reporting period		
- Statutory and voluntary independent audit services (including interim periods)	2,240,000	920,416
Fees for tax advisory services	1,600,000	815,741
Total	3,840,000	1,736,157

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of 31 December 2024.)

NOTE 31 - SUBSEQUENT EVENTS

- a) With the decision taken at the meeting of the Board of Directors dated 9 August 2024 and numbered 2024/1, the issued capital of Tat Gıda Sanayi A.Ş. amounting to TL 136,000,000 within the registered capital ceiling of TL 250,000,000 was increased by 80% to TL 108,800,000, all of which was paid in cash (rights issue). TL 108,800,000 was transferred from the related accounts to the Company's capital account on 17 January 2025.
- b) With the decision taken at the meeting of the Board of Directors dated 20 February, 2025 and numbered 2025/05, the registered capital of Tat Gıda Sanayi A.Ş. is TL 2,000,000,000,000. This capital is divided into 200,000,000,000 shares with a nominal value of 1 Kr (One Kuruş) each. The issued capital of the Company is TL 244,800,000. This capital is divided into 24,480,000,000 shares, each with a nominal value of Kr 1 (One Kuruş) and all of which are registered shares. The entire issued capital of the Company amounting to TL 244,800,000 has been subscribed and paid by the shareholders free of any collusion.
- c) The issuance certificate for the issuance of bonds and/or financing bills up to a total amount of TL 2,000,000,000,000 to be realized in one or more times within a period of 1 year to be sold through private placement and/or sales to qualified investors without public offering in Turkey was approved by the Capital Markets Board with the decision dated 20 February 2025 and numbered 10/354.
- d) In Turkey, the Domestic Minimum Corporate Tax entered into force with the laws published in the Official Gazette dated 2 August, 2024. The regulation will be applied to corporate income for the taxation period of 2025. Since the corporations will start to apply it on their earnings effective from 1 January 2025, it will have no effect on the current period tax expense in the financial statements as of 31 December 2024.

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