

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS
SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
JANUARY 1 – JUNE 30, 2024
(Originally issued in Turkish)



**Building a better
working world**

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**(Convenience translation of a report and condensed consolidated financial statements
originally issued in Turkish)**

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of TAB Gıda Sanayi ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of TAB Gıda Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group") as of June 30, 2024 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

August 27, 2024
İstanbul, Türkiye

(Convenience translation of consolidated financial statements originally issued in Turkish)

TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
ASSET			
Cash and cash equivalents	3	4.992.427.961	4.920.871.036
Trade receivables			
<i>Trade receivables from related parties</i>	6-24	597.310.465	330.498.339
<i>Trade receivables from third parties</i>	6	658.469.960	480.132.800
Other receivables			
<i>Other receivables from third parties</i>	7	6.283.275	3.562.658
Inventories	8	373.077.382	351.841.801
Prepaid expenses	15	1.121.730.412	1.040.768.701
Other current assets	14	42.625.463	23.383.734
Total Current Assets		7.791.924.918	7.151.059.069
Other receivables			
<i>Other receivables from third parties</i>	7	28.110.070	33.451.514
Property, plant and equipment	9	7.092.926.012	6.519.330.427
Intangible assets	10	723.928.309	729.124.002
Right of use assets	11	4.996.628.672	4.401.319.281
Prepaid expenses	15	44.410.554	42.201.190
Other non-current assets	14	8.410.842	7.472.486
Total Non-Current Assets		12.894.414.459	11.732.898.900
TOTAL ASSETS		20.686.339.377	18.883.957.969

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
LIABILITIES			
Short-term borrowings	4	28.737.214	70.729.017
Current portion of long-term borrowings	4	17.848.958	45.001.186
Short-term lease liabilities	5	1.103.453.579	865.840.513
Trade payables			
<i>Trade payables to related parties</i>	6-24	1.511.943.461	1.323.323.278
<i>Trade payables to third parties</i>	6	608.814.759	544.542.215
Other payables			
<i>Other payables to related parties</i>	7	146.500.000	-
<i>Other payables to third parties</i>	7	782.414	1.012.292
Employee benefit payables	13	565.556.948	398.592.737
Short-term provisions			
<i>Provisions for employee benefits</i>	13	160.392.695	126.610.457
<i>Litigation provisions</i>	12	23.448.614	31.330.719
Contract liabilities	15	191.998.213	214.984.319
Current tax liabilities	23	63.920.806	186.304.464
Other current liabilities	14	125.380.954	93.832.877
Total Current Liabilities		4.548.778.615	3.902.104.074
Long-term lease liabilities	5	1.889.943.161	1.674.884.639
Trade payables			
<i>Trade payables to third parties</i>	6	136.397.630	174.893.807
Provision for employee benefits	13	142.722.913	125.055.007
Contract liabilities	15	167.511.202	228.039.388
Deferred tax liabilities	23	876.291.491	704.801.067
Total Non-Current Liabilities		3.212.866.397	2.907.673.908
EQUITY			
Share capital	16	261.292.000	261.292.000
Adjustments to share capital	16	2.232.381.788	2.232.381.788
Share premium		4.590.421.663	4.590.421.663
Restricted reserves separated from profit		169.587.459	-
Other comprehensive expenses to be reclassified			
- Currency translation reserves	16	99.509.984	15.350.934
Other comprehensive income or expenses not to be reclassified			
- Remeasurement gains of defined benefit plans	16	4.486.771	4.632.817
- Revaluation of property, plant and equipment	16	624.916.663	624.916.663
Net profit for the period		913.001.374	3.065.712.544
Retained earnings		4.029.096.663	1.279.471.578
Total Equity		12.924.694.365	12.074.179.987
TOTAL LIABILITIES AND EQUITY		20.686.339.377	18.883.957.969

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

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Profit or loss					
Revenue	17	13.676.895.028	7.528.089.607	12.984.268.011	7.263.982.140
Cost of sales (-)	17	(11.382.183.280)	(6.029.122.138)	(10.740.577.919)	(5.659.679.475)
Gross profit		2.294.711.748	1.498.967.469	2.243.690.092	1.604.302.665
General administrative expenses (-)	18	(493.333.727)	(261.214.273)	(477.328.777)	(266.573.391)
Marketing expenses (-)	18	(645.299.225)	(288.793.983)	(649.446.329)	(331.329.570)
Other operating income	20	227.801.559	115.883.666	374.801.010	178.681.227
Other operating expenses (-)	20	(214.103.857)	(87.119.993)	(301.976.382)	(119.532.917)
Operating profit		1.169.776.498	977.722.886	1.189.739.614	1.065.548.014
Income related to investing activities	21	824.517.938	404.135.958	238.198.218	123.110.518
Expense related to investing activities (-)	21	(25.423.651)	(18.371.842)	(60.469.768)	(19.419.666)
Operating profit before financial expenses		1.968.870.785	1.363.487.002	1.367.468.064	1.169.238.866
Financial income	22	150.496.612	105.504.636	116.465.922	65.822.262
Financial expenses (-)	22	(384.834.731)	(194.519.088)	(803.374.232)	(562.876.311)
Monetary (loss)/gain		(457.587.063)	(355.165.193)	1.018.000.398	240.439.185
Earning before tax		1.276.945.603	919.307.357	1.698.560.152	912.624.002
Tax income					
Current tax expense	23	(190.855.715)	(70.137.087)	(14.956.945)	(12.236.372)
Deferred tax income	23	(173.088.514)	(80.596.632)	444.951.696	(33.893.645)
Net profit for the year		913.001.374	768.573.638	2.128.554.903	866.493.985
Earning per share (TL)		3,49	2,94	9,16	3,73

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

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 MARCH 2024 AND 2023

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
OTHER COMPREHENSIVE INCOME				
Items to be reclassified subsequently to profit or loss:				
-Change in foreign currency translation differences	84.159.050	116.388.128	(90.915.607)	(35.370.407)
Items that will not be reclassified subsequently to profit or loss				
Income related to revaluation of defined benefit plans and measurement gains	13 (194.729)	841.554	5.486.199	(4.383.367)
Tax income / (expense) to revaluation of defined benefit plans and measurement	23 48.683	(203.456)	(1.097.240)	1.370.152
Income related to revaluation increase on property, plant and equipment	-	-	5.147.778	(412.076)
TOTAL COMPREHENSIVE INCOME	997.014.378	885.599.864	2.047.176.033	827.698.287

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 MARCH 2024 AND 2023

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

Notes	Share Capital	Adjustment to share capital	Share premium	Restricted reserves seperated from profit	Other comprehensive income / (expense) will be reclassified to profit or loss	Other comprehensive income / (expense) will not be reclassified to profit or loss	Net Income for the period	Retained earnings	Total	
					Remeasurement of Currency translation differences	Remeasurement of defined benefit liabilities				Revaluation of Property, Plant and Equipment
Balance at 1 January 2024	261.292.000	2.232.381.788	4.590.421.663	-	15.350.934	4.632.817	624.916.663	3.065.712.544	1.279.471.578	12.074.179.987
Profit for the year	-	-	-	-	-	-	-	913.001.374	-	913.001.374
Other comprehensive expense	-	-	-	-	84.159.050	(146.046)	-	-	-	84.013.004
Total comprehensive profit	-	-	-	-	84.159.050	(146.046)	-	913.001.374	-	997.014.378
Dividend payment	-	-	-	-	-	-	-	-	(146.500.000)	(146.500.000)
Transfers	-	-	-	169.587.459	-	-	-	(3.065.712.544)	2.896.125.085	-
Balance at 1 June 2024	261.292.000	2.232.381.788	4.590.421.663	169.587.459	99.509.984	4.486.771	624.916.663	913.001.374	4.029.096.663	12.924.694.365
Balance at 1 January 2023	232.417.000	2.224.185.380	-	-	(4.860.408)	7.644.528	297.411.669	2.311.924.920	(1.032.453.342)	4.036.269.747
Profit for the year	-	-	-	-	-	-	-	2.128.554.903	-	2.128.554.903
Other comprehensive expense	-	-	-	-	(90.915.607)	4.388.959	5.147.778	-	-	(81.378.870)
Total comprehensive profit	-	-	-	-	(90.915.607)	4.388.959	5.147.778	2.128.554.903	-	2.047.176.033
Transferler	-	-	-	-	-	-	-	(2.311.924.920)	2.311.924.920	-
Balance at 1 June 2023	232.417.000	2.224.185.380	-	-	(95.776.015)	12.033.487	302.559.447	2.128.554.903	1.279.471.578	6.083.445.780

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE ACCOUNTING PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes	1 January - 30 June 2024	1 January- 30 June 2023
Cash Flows From Operating Activities			
Net profit for the period		913.001.374	2.128.554.903
Adjustments related to reconciliation of net profit for the period		1.588.419.803	696.139.122
Depreciation and amortization expense	9-10	675.674.370	637.968.193
Adjustments for impairment impairment and expenses related to closed restaurants	21	22.140	5.560.224
Adjustments for provisions provisions related to employee benefits	13	188.391.658	271.932.083
Adjustment related to provisions for litigation and/or penalties	12	8.255.183	23.831.500
Adjustments related to interest income and expenses			
Interest income	21-22	(711.158.493)	(201.153.466)
Adjustments related to participation share	21	(234.258.970)	-
Interest expense	22	4.072.034	221.436.009
Deferred financial income arising from forward purchases	20	8.376.634	14.394.429
Unearned finance expense arising from credit sales	20	(110.191.551)	(56.673.854)
Depreciation and amortisation on leases	11	940.368.838	854.451.517
Interest expense on leases, net	22-11	192.042.619	148.279.698
Exchange rate difference expense related to leases		22.038.500	72.698.553
Adjustments related to unrealised foreign currency translation differences		-	50.857.389
Insurance income	21	(11.925.384)	(88.885.266)
Adjustments related to tax (income) / expense	23	363.944.229	(429.994.751)
Adjustments related to gain on disposal of property, plant and equipment	21	5.296.588	35.599.281
Monetary gain	21	247.471.408	(864.162.417)
Changes in Working Capital		247.882.875	647.440.398
Adjustments related to (increase)/decrease in trade receivables			
Increase in due from related parties		(364.908.147)	(276.330.348)
Increase in trade receivables from third parties		(308.754.130)	(491.081.393)
Adjustments related to (increase)/decrease in other current and non-current assets		(28.146.167)	5.871.204
(Increase)/decrease in inventories		(99.920.423)	(227.848.965)
(Increase)/decrease in prepaid expenses		(326.733.935)	(96.390.308)
Adjustments for increase in trade payables			
(Increase)/decrease in due to related parties		399.087.581	945.546.564
(Increase)/decrease in trade payables to third parties		393.685.632	328.623.520
Other payables / liabilities (decrease)/increase		588.753.766	467.712.795
Increase/(decrease) in other liabilities		(5.181.302)	(8.662.671)
Cash Flows From Operations		(384.051.755)	(202.909.759)
Income taxes paid	23	(317.803.501)	(17.564.095)
Employee benefits paid	13	(56.160.242)	(176.954.060)
Litigation paid		(10.088.012)	(8.391.604)

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

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE ACCOUNTING PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes	1 January - 30 June 2024	1 January- 30 June 2023
Cash Flows From Investing Activities		(360.829.285)	(1.444.482.980)
Cash inflows from disposal of property, plant and equipment	9	-	21.751.913
Cash outflows from acquisition of property, plant and equipment	9	(1.246.472.166)	(630.004.877)
Cash outflows from acquisition of intangible assets	10	(71.699.966)	(92.808.461)
Cash advances given to related parties		-	(1.033.460.287)
Cash inflows from insurance		11.925.384	88.885.266
Participation share received		234.258.970	-s
Interest received	21-22	711.158.493	201.153.466
Cash Flows From Financing Activities		(957.068.408)	(1.193.456.405)
Cash inflows from borrowings	4	120.811.119	971.483.766
Cash outflows related to loan repayments	4	(171.634.991)	(1.113.142.990)
Interest paid	4	(4.146.828)	(231.282.535)
Interest payments related to lease transactions	5	(192.042.619)	(148.737.315)
Payments for lease transactions	5	(710.055.089)	(671.777.331)
THE EFFECT OF MONETARY LOSS ON CASH AND CASH EQUIVALENTS NET CHANGE IN CASH AND CASH EQUIVALENTS		(975.797.679)	(179.205.227)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	4.920.871.036	349.021.607
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	4.992.427.961	801.101.659

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 JUNE 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

TAB Gıda Sanayi ve Ticaret A.Ş. ("the Company") was established on 4 August 1994. The principal activities of the Company and its subsidiaries ("the Group") are sub-letting brands and operating fast food hamburger, chicken and pizza restaurants under the Burger King, Popeyes, Sbarro, Arby's, Subway, Usta Dönerci and Usta Pideci brands. The Company operates the largest fast food hamburger restaurant chain in Turkey in terms of number of restaurants.

The Group operates and franchises Burger King, Popeyes, Sbarro and Arby's-branded restaurants under exclusive development and master franchise agreements and the owner of Usta Dönerci and Usta Pideci brands. Burger King and Popeyes brands are both owned by Restaurant Brands International Inc ("RBI"). The expiry dates of the master franchise and exclusivity rights under the Master Franchise Development Agreement ("MFDA") are as follows:

Brand	Expiration Dates
Burger King— Quick Service Restaurant Business Türkiye	1 December 2032
Popeyes— Quick Service Restaurant Business Türkiye	31 December 2026
Sbarro— Quick Service Restaurant Business Türkiye	31 December 2027
Arby's— Quick Service Restaurant Business Türkiye	31 December 2027
Subway— Quick Service Restaurant Business Türkiye	31 December 2029

The address of the Company is Dikilitaş Mahallesi Emirhan Caddesi No: 109 Beşiktaş, İstanbul.

As at 30 June 2024 the average number of personnel employed during the year is 14.917 (31 December 2023: 15.454).

As of 30 June 2024, the Group has a total of 1.710 open restaurants. The number of franchise restaurants in the total number of open restaurants is 752 as of 30 June 2024. (31 December 2023: The number of Group restaurants is 1.615, of which 687 are franchise restaurants).

TFI TAB Gıda Yatırımları Anonim Şirketi is the main shareholder of the Group and the main controlling party.

As at 30 June 2024, the list of subsidiaries is as follows:

- TAB Georgia LLC. “GÜRCİSTAN”
- TAB Limited Makedonija Doel Petrovec “MAKEDONYA”

A brief description of the Company's subsidiaries is as follows:

- TAB Georgia LLC. was established on 26 December 2006 in Georgia. TAB Georgia operates fast food restaurants. As of 30 June 2024, the total number of open restaurants is 9 and the number of franchise restaurants is 1 (31 December 2023: Total number of open restaurants is 9, 1 of which belongs to franchise restaurants).
- TAB Limited Makedonija Doel Petrovec was established in Macedonia on 13 June 2011. TAB Macedonia operates fast food restaurants. As of 30 June 2024, the total number of open restaurants is 15, all of which are operated by the Group. (31 December 2023: Total number of open restaurants is 12, all of which are operated by the Group).

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

FOR THE ACCOUNTING PERIOD 1 JANUARY – 30 JUNE 2024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Cont’d)

As at 30 June 2024, the list of branches is as follows:

- TAB Gıda Sanayi ve Ticaret A.Ş. – Northern Cyprus Branch “KUZEY KIBRIS”

Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors and authorised for issue on 27 August 2024. The General Assembly and other regulatory bodies are authorised to amend and restate the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

Implemented Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company and its subsidiaries operating in Turkey, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

Financial Reporting In Hyperinflationary Economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 March 2024 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 March 2024 as per TAS 29.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (Cont'd)

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year end	Index
2021	686,95
2022	1.128,45
2023	1.859,38
2024/06	2.319,29

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 Basic Principles of Presentation (Cont'd)

Financial Reporting under Hyperinflation

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

Functional and Reporting Currency

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Turkish Lira ("TL"), which is the functional currency of the Group and the presentation currency of the Group's consolidated financial statements.

In preparing the consolidated financial statements of the Group, balance sheet items of companies whose functional currency is different from TL are translated into TL at the exchange rate ruling at the balance sheet date and income, expenses and cash flows are translated into TL at the exchange rate ruling at the date of the transactions (historical exchange rate) or, if the date cannot be determined, at the annual average exchange rate. The resulting translation difference is recognised in the foreign currency translation reserve under equity.

The functional currencies of the Company's subsidiaries in Georgia and Macedonia are Georgian Lari and Macedonian Dinar, respectively.

As at 30 June 2024, the buying exchange rates for assets are 1 Macedonian Dinar = TL 0,5718 and 1 Lari = TL 11,7096 (31 December 2023: 1 Macedonian Dinar = TL 0,5310 and 1 Lari = TL 10,9890), and the selling exchange rates for liabilities are 1 Macedonian Dinar = TL 0,5696 and 1 Lari = TL 12,0048 (31 December 2023: 1 Macedonian Dinar = TL 0,5310 and 1 Lari = TL 10,9890).

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basic Principles of Presentation (cont’d)

Basis Of Consolidation

The details of the Company's subsidiaries as at 30 June 2024 and 31 December 2023 are as follows:

Subsidiaries	Business Segment	Country of Origin	30 June 2024	31 December 2023
TAB Georgia LLC	Quick Service Restaurant	Georgia	% 100	% 100
TAB Limited Makedonija Dooel Petrovec	Quick Service Restaurant	Macedonia	% 100	% 100

As at 30 June 2024 and 31 December 2023, the Group's branch information is as follows:

Branch Name	Business Segment	Country of Origin
TAB Gıda Sanayi ve Ticaret A.Ş. – Northern Cyprus Branch	Quick Service Restaurant	Northern Cyprus

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company fulfils the following conditions:

- has power over the invested company/asset
- is entitled or open to variable returns from the invested company/asset
- has the ability to affect those returns through its power to direct the activities of the entity

If a situation or event occurs that could lead to a change in at least one condition stated above, Company shall reassess whether it has control over its investment.

In cases where the Company does not have the majority voting right over the invested company/asset, if it has sufficient voting rights to direct/manage the activities of the relevant investment alone, it has control over the invested company/asset. The Company considers all relevant events and conditions in assessing whether the majority of the votes in the relevant investment is sufficient to gain control, including the following:

- Comparing the voting rights of the Company with the other shareholders,
- Potential voting rights of the Company and other shareholders have,
- Rights arising from other contractual agreements,
- Other events and conditions that can show whether the Company has power in managing the relevant activities (including the votes at the general assembly meetings in previous periods) in cases where a decision needs to be made.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The income and expenses of subsidiaries acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of purchase to the date of sell out.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basic Principles of Presentation (cont’d)

Basis Of Consolidation

Each item of the profit or loss and other comprehensive income belongs to the parent shareholders and non-controlling interests. Even if the non-controlling interests result in negative balance, the total comprehensive income of the subsidiaries is transferred to the parent company shareholders and non-controlling interests.

If necessary, adjustments regarding to the accounting policies have been made in the financial statements of the subsidiaries in order to be the in line with the accounting policies followed by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.

2.2 Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in accounting policies in the current year.

2.3 Changes and Errors in Accounting Estimates

If the changes in accounting estimates and errors are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. The Group has not changed any accounting estimates and no significant accounting policy errors have been identified in the current year.

2.4 New and Revised Turkish Accounting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 New and Revised Turkish Accounting Standards (cont’d)

- i) **The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:**

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 New and Revised Turkish Accounting Standards (cont’d)

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The amendments did not have a significant impact on the financial position or performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant accounting policies

The condensed consolidated financial statements for the interim period ended March 31, 2024 have been prepared in accordance with TAS 34 Interim Financial Reporting. The significant accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those described in detail in the consolidated financial statements for December 31, 2023. Accordingly, the condensed consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2023.

2.6 Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash on hand	61.800.603	54.160.997
Demand deposits at bank	87.434.948	165.746.960
Time deposits at bank	4.786.846.112	4.656.253.305
Other cash equivalents (*)	56.346.298	44.709.774
	4.992.427.961	4.920.871.036

(*) Other cash and cash equivalents consist of receivables from credit card sales which are realised in cash within 1 day on average. The Group pays commission to banks for the collection of credit card receivables before the original maturity date. The remaining balance consists of receivables from internet payment platforms with an average maturity of 7 days.

The details of time deposits at the bank are as follows:

Currency Type	Interest Rate (%)	Maturity	30 June 2024
TL	%40	July – 25 Sep 2024	4.786.846.112
			4.786.846.112

Currency Type	Interest Rate (%)	Maturity	31 December 2023
TL	%40 - %47	2 Jan - 29 Mar 2024	3.968.182.852
USD	%45	2 Jan 2024	688.070.453
			4.656.253.305

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NOTE 4 - BORROWINGS

The details of the Group's financial liabilities as at 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Short term bank borrowings	28.737.214	70.729.017
Current portion of long-term borrowings	17.848.958	45.001.186
Total borrowings	46.586.172	115.730.203

Details of the bank loans are as follows:

Currency Type	Weighted Average Effective Interest Rate	31 March 2024 Current
TL	31,6%	46.586.172
		46.586.172

Currency Type	Weighted Average Effective Interest Rate	31 December 2023 Current
TL	%39,8	115.730.203
		115.730.203

The movement of the Group's financial liabilities as at 31 March 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	115.730.203	2.559.359.057
Cash inflow from borrowings	120.811.119	971.483.766
Cash outflows from borrowings	(171.634.991)	(1.113.142.990)
Exchange differences	-	285.004.196
Interest payments	(4.146.828)	(231.282.535)
Interest expense	4.072.034	224.762.615
Monetary gain	(18.245.365)	(252.955.262)
Closing balance at 30 June	46.586.172	2.443.228.847

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NOTE 5 - LEASE LIABILITIES

	30 June 2024	31 December 2023
Short-term lease liabilities	1.103.453.579	865.840.513
Total short-term lease liabilities	1.103.453.579	865.840.513
Long-term lease liabilities	1.889.943.161	1.674.884.639
Total long-term lease liabilities	1.889.943.161	1.674.884.639
Total lease liabilities	2.993.396.740	2.540.725.152
	30 June 2024	31 December 2023
To be paid within 1 year	1.103.453.579	865.840.513
To be paid between 1-2 years	668.385.410	587.970.012
To be paid between 2-3 years	474.785.013	412.513.373
To be paid between 3-4 years	185.626.254	268.379.095
To be paid after 4+ years	561.146.484	406.022.159
	2.993.396.740	2.540.725.152

The movement of the Group's finance lease payables as at 30 June 2024 and 2023 is as follows:

	2024	2023
Opening balance as of 1 January	2.540.725.152	2.837.947.476
Purchases	1.566.159.166	1.057.463.827
Payments	(710.055.089)	(671.777.331)
Exchange differences, net	22.038.500	72.698.553
Interest expense	192.042.619	148.737.315
Monetary gain	(617.513.608)	(313.829.328)
Closing balance at 30 June	2.993.396.740	3.131.240.512

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables and Notes Receivable

Current trade receivables	30 June 2024	31 December 2023
Trade receivables	664.445.287	488.568.795
Notes receivable	787.829	-
Trade receivables from related parties (Note 24)	597.310.465	330.498.339
Impairment provision for trade receivables (-)	(6.763.156)	(8.435.995)
	1.255.780.425	810.631.139

The majority of the Group's sales consist of cash sales. Trade receivables consist of sales to sub-franchise companies and receivables from food voucher companies. Average maturity for trade receivables is 8 days (31 December 2023: 9 days). The average maturity of trade receivables from related parties in 2024 is 20 days. (31 December 2023: 29 days). Trade receivables are discounted using an annual interest rate of 43,90% (2023:37,22%).

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (cont’d)

The impairment provision for trade receivables has been determined based on past experience of uncollectibility.

Notes receivables balance consists of post-dated cheques and notes received from franchisors within the scope of commercial works.

The movement of impairment provision for trade receivables is as follows:

	2024	2023
Opening balance as of 1 January	(8.435.995)	2.336.980
Monetary gain/loss	1.672.839	(4.288.137)
Closing balance at 31 March	(6.763.156)	(1.951.157)

The nature and level of risks related to trade receivables are disclosed in Note 25.

b) Trade Payables

<u>Short-term trade payables</u>	30 June 2024	31 December 2023
Trade payables (*)	417.536.568	388.065.543
Trade payables to related parties (Note 24)	1.511.943.461	1.323.323.278
Accrued expenses	191.278.191	156.476.672
	2.120.758.220	1.867.865.493
<u>Long-term trade payables</u>		
Trade payables (*)	136.397.630	174.893.807
	136.397.630	174.893.807

(*) Master Franchise and Development Agreement (MFDA)

On 29 March 2019, RBI and Tab Gıda signed a Second Amended and Restated Development Agreement ("MFDA") for exclusive rights and licences to operate Burger King restaurants in Turkey, effective until 1 December 2031. According to the MFDA, payments must be repaid in amounts indicating the annual franchise fees. 2019 annual franchise fees for 20 restaurants; 2020 annual franchise fees for 35 restaurants; annual franchise fees for 40 restaurants each year between 2021 and 2031. On 30 September 2020 and 14 October 2020, due to COVID-19, the development target for 2020 was set to 0 and the development calendar was extended from 2031 to 2032. Therefore, the annual franchise fees payable in 2020 for 35 restaurants became the annual franchise fee for 2021. The annual franchise fees to be paid for 40 restaurants between 2021 and 2031 will be realised between 2022 and 2032. According to this agreement, the total liability from the balance sheet date until 2032 is reflected in the financial statements and the amounts are TL 25.357.800 for short term trade payables and TL 136.397.630 for long-term trade payables.

The average maturity of trade payables is 12 days (31 December 2023: 12 days). Average maturity of trade payables to related parties is 25 days (31 December 2023: 25 days).

Trade payables are discounted using the effective interest method. The effective interest rate of 37,22% has been used to determine the value of trade payables (31 December 2023: 37,22%).

The nature and level of risks related to trade payables are disclosed in Note 25.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

<u>Short-term other receivables</u>	30 June 2024	31 December 2023
Receivables from tax office	4.114.890	1.906.498
Deposits and guarantees given	2.005.825	1.404.555
Accrued income	162.560	251.605
	6.283.275	3.562.658
<u>Long-term other receivables</u>		
Deposits and guarantees given (*)	23.786.096	28.582.598
Other	4.323.974	4.868.916
	28.110.070	33.451.514

(*) Deposits and guarantees represent deposits given to the relevant administrative units for rents and connection fees such as electricity, natural gas and water. Deposit amounts are returned at the end of the lease agreement.

b) Other Payables

<u>Short-term other payables</u>	30 June 2024	31 December 2023
Dividend payment	146.500.000	-
Deposits and guarantees received (*)	715.337	885.254
Other	67.077	127.038
	147.282.414	1.012.292

(*) Deposits and guarantees represent the deposits received from the relevant sub-franchisee companies for connection fees such as electricity, natural gas and water. Deposit amounts are returned at the end of the lease agreement.

The nature and level of risks related to other receivables and payables are disclosed in Note 25.

NOTE 8 - INVENTORIES

	30 June 2024	31 December 2023
Raw materials	348.255.537	328.183.922
Other inventory	24.821.845	23.657.879
	373.077.382	351.841.801

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	Plant Machinery & Equipment	Vehicles	Furniture & Fixture	Leasehold improvements	Construction in progress	Total
Cost:						
Opening balance as of 1 January 2024	8.929.100.919	32.745.070	3.296.735.555	2.859.781.804	238.777.126	15.357.140.474
Additions	470.369.150	-	264.743.767	383.000.159	128.359.090	1.246.472.166
Disposals	(6.058.940)	(93.130)	(3.050.325)	(118.815)	-	(9.321.210)
Currency translation effect	-	-	(36.077.217)	(3.492.249)	-	(39.569.466)
Closing balance on 30 June 2024	9.393.411.129	32.651.940	3.522.351.780	3.239.170.899	367.136.216	16.554.721.964
Accumulated Depreciation:						
Opening balance as of 1 January 2024	(5.395.110.066)	(6.783.074)	(2.039.881.527)	(1.396.035.380)	-	(8.837.810.047)
Charge for the period	(351.655.719)	(3.835.669)	(133.961.028)	(153.692.812)	-	(643.145.228)
Disposals	3.743.936	87.770	178.072	14.844	-	4.024.622
Currency translation effect	-	-	14.968.338	166.363	-	15.134.701
Closing balance on 31 June 2024	(5.743.021.849)	(10.530.973)	(2.158.696.145)	(1.549.546.985)	-	(9.461.795.952)
Net Book Value	3.650.389.280	22.120.967	1.363.655.637	1.689.623.914	367.136.216	7.092.926.012

The depreciation expenses amounting to TL 583.332.722 have been included in the cost of goods sold, and TL 59.812.506 have been included in general administrative expenses (as of June 30, 2023: TL 563.389.650 included in the cost of sales and TL 57.767.627 included in general administrative expenses).

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Plant Machinery & Equipment	Vehicles	Furniture & Fixture	Leasehold improvements	Construction in progress	Total
Cost:						
Opening balance as of 1 January 2023	7.759.915.160	19.501.390	2.874.621.421	2.319.851.679	147.028.244	13.120.917.894
Additions	151.988.879	-	209.462.200	257.150.388	11.403.410	630.004.877
Disposals	(73.097.955)	(14.348.736)	(23.971.399)	(48.698.698)	-	(160.116.788)
Translation difference	-	-	108.153.510	7.859.275	-	116.012.785
Closing balance on 30 June 2023	7.838.806.084	5.152.654	3.168.265.732	2.536.162.644	158.431.654	13.706.818.768
Accumulated Depreciation:						
Opening balance as of 1 January 2023	(4.421.782.405)	(16.688.324)	(1.772.084.377)	(1.207.409.463)	-	(7.417.964.569)
Charge for the period	(301.819.962)	(934.717)	(189.040.147)	(129.362.451)	-	(621.157.277)
Disposals	42.269.903	12.596.994	20.008.028	27.890.669	-	102.765.594
Translation difference	-	-	(33.320.351)	(567.999)	-	(33.888.350)
Closing balance on 31 June 2023	(4.681.332.464)	(5.026.047)	(1.974.436.847)	(1.309.449.244)	-	(7.970.244.602)
Net Book Value	3.157.473.620	126.607	1.193.828.885	1.226.713.400	158.431.654	5.736.574.166

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

The depreciation periods for property, plant and equipment are as follows:

	<u>Useful Life</u>
Machinery and equipment	5-25 years
Vehicles	4-5 years
Fixtures and furniture	3-10 years
Leasehold improvements	2-20 years

The Group has assessed each restaurant as a cash-generating unit (CGU) and performed an impairment test for each CGU and analysed the recoverable amount of the fixed assets of the restaurants. This impairment test was applied for leasehold improvements, machinery and equipment and fixtures and fittings. The recoverable amount of cash generating units is determined using cash flow projections extended from 5 years to 10 years.

For each CGU, the Group has recognised impairment only for leasehold improvements since the average useful life of leasehold improvements is approximately 10 years and other assets in restaurants can be transferred in case of closure of a restaurant. Therefore, the restaurant impairment analysis is based on 10-year cash flow projections and no terminal value is assumed. Impairment test is performed for the restaurants, each of which is a separate cash-generating units (NÜB), for which there is an indication of impairment.

Impairment and reversals are included in income and expenses from investing activities in the income statement (Note 21).

Fair value measurement of the Group's freehold land, buildings and machinery & equipment

As of December 31, 2023, the fair value measurements of the plants, machinery, and equipment owned by the Group has been performed by Kale Taşınmaz Değerleme ve Danışmanlık A.Ş., an independent valuation company. The relevant valuation firm is authorized by the CMB and provides plant, machinery, and equipment valuation services in accordance with capital market regulations, and possesses the necessary experience and qualifications to measure the fair value of the related machinery.

The fair value of plant, machinery and equipment is determined as replacement cost by multiplying the initial purchase cost by the average increase in foreign currency and inflation index for the period between the acquisition date and the valuation date and then adjusted for accumulated depreciation, impairment and impairment, if any, based on the experience of the valuation experts.

As at 30 June 2024, information on the Group's plant, machinery and equipment and the fair value hierarchy of these assets are shown in the table below:

	Level 1	Level 2	Level 3
Machinery and Equipment	-	3.650.389.280	-
	-	3.650.389.280	-

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont’d)

Tangible Fixed Assets	Valuation Techniques	Significant unobservable input(s)	Sensitivity
Plant, machinery and equipment	Cost Approach	Valuation expert’s estimations and depreciation rates used in the valuation.	Valuation expert’s judgement based on experience impacts the fair value of machinery and equipment. A change in ratio of foreign currencies and inflation index would result in an increase in fair value, and vice versa.

NOTE 10 - INTANGIBLE ASSETS

	Initial Franchise Fees	Rights and Licenses	Total
Cost:			
Opening balance as of 1 January 2024	566.893.906	592.893.847	1.159.787.753
Additions	20.332.517	51.367.449	71.699.966
Disposals	-	(308.444)	(308.444)
Currency translation differences	(44.063.214)	-	(44.063.214)
Closing balance as of 30 June 2024	543.163.209	643.952.852	1.187.116.061
Accumulated Amortization:			
Opening balance as of 1 January 2024	(192.316.454)	(238.347.297)	(430.663.751)
Charge for period	(10.572.784)	(21.956.358)	(32.529.142)
Disposals	-	5.141	5.141
Currency translation effects	-	-	-
Closing balance as of 30 June 2024	(202.889.238)	(260.298.514)	(463.187.752)
Net Book Value	340.273.971	383.654.338	723.928.309

The depreciation expenses of TL 29.503.932 have been included in the cost of goods sold, and TL 3.025.210 have been included in general administrative expenses (as of June 30, 2023: TL 15.247.501 included in the cost of sales and TL 1.563.415 included in general administrative expenses).

The Group's intangible assets consist of franchise opening fees paid for new restaurants, rights and licences. The amortisation period is 20 years for franchise opening fees and 2-20 years for licences.

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NOTE 10 - INTANGIBLE ASSETS (cont'd)

	Initial Franchise Fees	Rights and Licenses	Total
Cost:			
Opening balance as of 1 January 2023	546.951.697	506.098.816	1.053.050.513
Additions	70.573.314	22.235.147	92.808.460
Disposals	(1.621.264)	(110.855)	(1.732.119)
Currency translation effect	(44.045.737)	-	(44.045.737)
Closing balance as of 30 June 2023	571.858.010	528.223.107	1.100.081.117
Accumulated Amortization:			
Opening balance as of 1 January 2023	(172.959.557)	(202.987.499)	(375.947.056)
Charge for the period	(9.302.506)	(7.508.410)	(16.810.916)
Disposals	504.394	53.185	557.579
Currency translation effect	(731.983)	-	(731.983)
Closing Balance As of 30 June 2023	(182.489.652)	(210.442.724)	(392.932.376)
Net Book Value	389.368.358	317.780.383	707.148.741

NOTE 11 - RIGHT OF USE ASSETS

	Restaurants	Property	Vehicles	Total
Cost:				
Opening balance as of 1 January 2024	7.963.446.267	40.943.322	49.290.203	8.053.679.792
Additions	1.557.212.379	7.887.611	1.059.176	1.566.159.166
Disposals	(144.715.548)	-	(15.135.699)	(159.851.247)
Currency translation effect	(8.975.233)	-	-	(8.975.233)
Closing balance as of 30 June 2024	9.366.967.865	48.830.933	35.213.680	9.451.012.478
Accumulated Amortization:				
Opening balance as of 1 January 2024	(3.590.342.624)	(27.347.328)	(34.670.559)	(3.652.360.511)
Charge for the period	(916.281.086)	(13.282.384)	(10.805.368)	(940.368.838)
Disposals	124.355.640	-	11.217.132	135.572.772
Currency translation effect	2.772.771	-	-	2.772.771
Closing balance as of 30 June 2024	(4.379.495.299)	(40.629.712)	(34.258.795)	(4.454.383.806)
Net Book Value	4.987.472.566	8.201.221	954.885	4.996.628.672

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NOTE 11 - RIGHT OF USE ASSETS (cont'd)

	Restaurants	Property	Vehicles	Total
Cost:				
Opening balance				
as of 1 January 2023	6.562.024.891	28.968.011	49.753.569	6.640.746.471
Additions	1.260.361.176	4.782.462	8.214.162	1.273.357.800
Disposals	(127.245.711)	-	(106.927)	(127.352.638)
Currency translation effect	64.822.961	-	-	64.822.961
Closing balance				
as of 30 June 2023	7.759.963.317	33.750.473	57.860.804	7.851.574.594
Accumulated Amortization:				
Opening balance				
as of 1 January 2023	(2.153.643.856)	(10.694.224)	(11.484.568)	(2.175.822.648)
Charge for the period	(834.472.915)	(8.234.155)	(11.744.447)	(854.451.517)
Disposals	49.820.792	-	106.927	49.927.720
Currency translation effect	(56.032.513)	-	-	(56.032.513)
Closing balance				
as of 30 June 2023	(2.994.328.492)	(18.928.379)	(23.122.087)	(3.036.378.958)
Net Book Value	4.765.634.825	14.822.094	34.738.717	4.815.195.636

The Group's right of use assets consist of restaurants, buildings and vehicles. Average lease agreements are 6 years for restaurants, 3 years for buildings and 3 years for vehicles.

Accounted for in profit or loss	1 January - 30 June 2024	1 January - 30 June 2023
Depreciation expense on right-of use assets	940.368.838	854.451.517
Interest expense on lease liabilities	192.042.619	148.279.698
Foreign exchange losses on lease liabilities (net)	22.038.500	72.698.553
Expenses related to variable lease payments not included in the measurement of lease liabilities	778.866.222	684.116.032
Total	1.933.316.179	1.759.545.800

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NOTE 11 - RIGHT OF USE ASSETS (cont'd)

Some of the restaurant leases in which the Group is a lessee contain variable lease payment terms that depend on the sales generated from the leased stores. Variable payment terms are used to link lease payments to maintain cash flows and reduce fixed costs. The breakdown of lease payments for these stores is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Fixed payments	654.646.998	599.661.740
Variable payments	778.866.222	684.116.032
Total	1.433.513.220	1.283.777.772

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Litigation provisions:

	30 June 2024	31 December 2023
Litigation provisions	23.448.614	31.330.719
	23.448.614	31.330.719

The movement of provisions for litigation is as follows:

	2024	2023
Opening balance as of 1 January	31.330.719	22.390.043
Charged to expense	8.255.183	23.831.500
Litigation paid	(10.088.012)	(8.391.604)
Monetary gain	(6.049.276)	(4.826.811)
Closing balance as of 31 March	23.448.614	33.003.128

There are various ongoing lawsuits in favour of and against the Group. The Group Management evaluates the possible outcomes and financial impact of these lawsuits at the end of each period and as a result of this valuation, provisions are set aside against possible gains and liabilities as deemed necessary. As of 30 June 2024, there are ongoing lawsuits against the Group amounting to TL 28.310.313 (31 December 2023: TL 35.779.644). The Group Management has provided provision amounting to TL 23.448.614 (31 December 2023: TL 31.330.719) for the lawsuits for which cash outflow is considered probable.

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NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Guarantees, pledges and mortgages:

The guarantees mainly consist of letters of guarantee given to restaurant owners as rent deposits, for electricity, natural gas and water connections, and to public authorities as deposits. The majority of the balance consists of letters of guarantee given as rent deposits for restaurants and letters of guarantee given to tax authorities for a VAT refund. The number of letters of guarantee given as a rent deposit is TL 293.183.971 (31 December 2023: TL 291.109.710).

30 June 2024

GPMs given by the Group (Guarantees - Pledges - Mortgages)	Total TL Equivalents	USD	GEL	EUR	TL
A. Given in the Name of Its Own					
Legal Entity Total amount of GPMs	406.008.540	1.782.442	-	2.373.805	264.052.868
- Guarantees	406.008.540	1.782.442	-	2.373.805	264.052.868
- Pledges	-	-	-	-	-
- Mortgages	-	-	-	-	-
B. Included in the scope of full consolidation					
Given in favour of included companies					
GPM's given Total Amount	-	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-	-
Total	406.008.540	1.782.442	-	2.373.805	264.052.868

31 December 2023

GPMs given by the Group (Guarantees - Pledges - Mortgages)	Total TL Equivalents	USD	GEL	EUR	TL
A. Given in the Name of Its Own					
Legal Entity Total amount of GPMs	488.629.849	3.139.569	-	3.167.871	293.615.355
- Guarantees	488.629.849	3.139.569	-	3.167.871	293.615.355
- Pledges (*)	-	-	-	-	-
- Mortgages	-	-	-	-	-
B. Included in the scope of full consolidation					
Given in favour of included companies					
GPM's given Total Amount	-	-	-	-	-
C. Total amount of GPMs given in order to ensure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-	-
Total	488.629.849	3.139.569	-	3.167.871	293.615.355

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NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

c) Commitments:

Effective from 1 January 2019, the Group has entered into a long-term contract with a vendor for the supply of beverage products in its restaurants and the Group has entered into a commitment to purchase soft drink syrup in the amount specified in the contract at the prevailing market price in the relevant years starting from 1 January 2019. This commitment volume is not subject to any time limit.

d) Obligation from Material Contracts:

Master Franchise Development Agreement (MFDA)

The Group has entered into various MFDA with brands in Turkey which require the Group to open and, where necessary, remodel restaurants within a predetermined development plan. Failure to comply with the development targets contained in the MFDA may result in the termination of the Group's development rights, but the Group may at any time request renegotiation of the development terms with the franchisees and sign a new agreement regarding the change.

NOTE 13 - EMPLOYEE BENEFITS

a) Provisions related to employee benefits

	30 June 2024	31 December 2023
Payables to personnel (*)	324.914.326	209.816.006
Social security premiums payable	197.151.462	158.814.627
Income tax payable	43.491.160	29.962.104
	565.556.948	398.592.737

(*) Amount due to personnel represents salaries and wages accrued in the last month.

b) Provisions:

	30 June 2024	31 December 2023
Unused vacation provision	160.392.695	126.610.457
Retirement pay provision	142.722.913	125.055.007
	303.115.608	251.665.464

c) Unused vacation provision:

	2024	2023
Opening balance as of 1 January	126.610.457	101.588.503
Increase during the period	93.992.993	146.552.283
Paid during the period (-)	(17.026.591)	(91.516.651)
Monetary loss/gain	(43.184.164)	(20.800.803)
Closing balance at 30 June	160.392.695	135.823.332

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NOTE 13 - EMPLOYEE BENEFITS (cont'd)

d) Retirement pay provision:

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men). Certain transitional provisions related to the pre-retirement service period have been excluded from the law due to the change in the related law as of 23 May 2002. Accordingly, the Group is required to make lump-sum termination indemnities to each employee who retired or terminated at the date of retirement. The payment depends on the number of years the individual has been employed by the Group.

The severance pay to be paid as of June 30, 2024, is subject to a cap of TL 41.828,42 per month (December 31, 2023: TL 35.058,58).

Employment termination benefits are not legally subject to any funding. 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 enterprise's obligation under defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as at 30 June 2024 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of 20,82% and an interest rate of 25,05%, resulting in a real discount rate of approximately 3.50% (31 December 2023: 3.50%). Voluntary termination rates are also taken into consideration as 10,04% for employees with 0-15 years of service and 0% for employees with 16 or more years of service. The maximum amount of TL 35.058,58 effective from 1 April 2024 has been taken into consideration in the calculation of the Group's provision for employment termination benefits (1 April 2023: TL 19.982,83).

	2024	2023
Opening balance as of 1 January	125.055.007	114.028.881
Service cost	92.769.427	123.597.907
Interest cost	1.629.238	1.781.893
Actuarial loss/gain	194.729	5.486.199
Retirements benefits paid (-)	(39.133.651)	(85.437.409)
Monetary loss/gain	(37.791.837)	(32.415.443)
Closing balance as of 30 June	142.722.913	127.042.028

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NOTE 14 - OTHER ASSETS AND LIABILITIES

<u>Other Current Assets</u>	30 June 2024	31 December 2023
VAT carried forward	7.025.402	5.419.789
Prepaid corporate tax	546.576	-
Other	35.053.485	17.963.945
	42.625.463	23.383.734

<u>Other Non-Current Assets</u>	30 June 2024	31 December 2023
Evacuation costs (*)	6.501.303	7.472.486
Rent deposits	1.909.539	-
	8.410.842	7.472.486

(*) Evacuation costs consist of premiums paid to the previous tenant to exit the property to be leased and non-refundable deposits paid to the property owners to become a tenant in the relevant property at the beginning of the lease.

<u>Short-Term Liabilities</u>	30 June 2024	31 December 2023
VAT payable	114.444.182	88.492.819
Taxes and funds payable	10.936.772	5.340.058
	125.380.954	93.832.877

NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES

<u>Short-Term Prepaid Expenses</u>	30 June 2024	31 December 2023
Advances given (*)	1.066.133.908	1.029.174.501
Prepaid expenses	53.897.673	10.842.019
Advances given	1.698.831	752.181
	1.121.730.412	1.040.768.701

(*) The given order advances include TL 490.540.232 to Fasdat Gıda Dağıtım San. Tic. A.Ş. for construction expenses and operational equipment purchases related to the Group's restaurants, TL 212.637.380 to Ekur İnşaat San. Tic. A.Ş., TL 292.004.144 to Mes Mutfak Ekip. San. Tic. A. Ş. (31 December 2023: TL 762.128.338 was given to Fasdat Gıda Dağıtım San. Tic. A.Ş., TL 148.206.158 was given to Ekur İnşaat San. Tic. A.Ş., TL 79.683.106 was given to Mes Mutfak Ekip. San. Tic. A. Ş. and TL 1.935.850 was given to ATP Yazılım ve Teknoloji A.Ş.).

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NOTE 15 - PREPAID EXPENSES AND CONTRACT LIABILITIES (cont’d)

<u>Long Term Prepaid Expenses</u>	30 June 2024	31 December 2023
Prepaid expenses	44.410.554	42.201.190
	44.410.554	42.201.190
<u>Short-Term Contract Liabilities</u>	30 June 2024	31 December 2023
Advances received (*)	102.596.241	66.594.068
Advances from customers (**)	74.108.933	81.009.067
Non-refundable advances received (***)	15.293.039	67.381.184
	191.998.213	214.984.319
<u>Long-Term Contract Liabilities</u>	30 June 2024	31 December 2023
Advances from customers (**)	92.221.703	119.899.743
Non-refundable advances received (***)	75.289.499	108.139.645
	167.511.202	228.039.388

(*) Advances received mainly consist of advances received from franchises.

(**) Advances received from customers consist of contractual liabilities according to IFRS 15.

(***) The Group receives incentives from its suppliers for purchasing contracts entered by the Group with the supplier. Incentives received in advance are initially recognized as advances in the consolidated statement of financial position and deducted from the cost of purchase of inventories in the related period in which the related inventory is purchased from the supplier.

NOTE 16 - EQUITY

a) Equity:

The paid-in capital structure of the Group as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
TFI TAB Gıda Yatırımları A.Ş.	79.9%	208.792.000	79.9%	208.792.000
Other	20.1%	52.500.000	20.1%	52.500.000
Nominal Capital	100	261.292.000	100	261.292.000
Inflation adjustment		2.232.381.788		2.232.381.788
Adjusted Capital		2.493.673.788		2.232.381.788

"The Group's authorized and issued capital consists of 261.292.000 shares each with a registered nominal value of TL1."

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NOTE 16 – EQUITY (cont'd)

b) Legal Reserves

The legal reserves represent restricted reserves appropriated from profit. The legal reserves consist of the first and second legal reserves appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum until the total reserve reaches 20% of 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.

c) Analyses of Other Comprehensive Income Items

As of 30 June 2024, revaluation measurement gains in accordance with TAS 16 and all actuarial gains and losses calculated in accordance with TAS 19, which are recognised in other comprehensive income, net of deferred tax effect are as follows:

<u>Not to be reclassified to profit or loss</u>	30 June 2024	31 December 2023
Gain on revaluation and measurement	624.916.663	624.916.663
Loss on remeasurement of defined benefit plans	4.486.771	4.632.817
	629.403.434	629.549.480

<u>To be reclassified to profit or loss</u>	30 June 2024	31 December 2023
Currency translation differences	99.509.984	15.350.934
	99.509.984	15.350.934

Foreign currency translation differences represent the translation differences arising on the settlement and translation at each reporting date of the entities' functional currencies other than TL.

NOTE 17 – REVENUE AND COST OF SALES

a) Revenue

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Restaurant sales	12.248.328.452	11.649.239.682	6.711.886.854	6.482.191.370
Franchise revenues	1.255.498.022	1.050.946.105	722.828.148	603.152.647
Sales to franchised restaurants	252.594.418	339.021.321	134.650.595	211.597.091
Other sales	9.445.074	19.941.738	4.610.276	14.438.565
Sales returns (-)	(88.970.938)	(74.880.835)	(45.886.266)	(47.397.533)
	13.676.895.028	12.984.268.011	7.528.089.607	7.263.982.140

The timing of the fulfilment of the performance obligation is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Fulfilment at a certain time	13.424.300.610	12.645.246.690	7.393.439.012	7.052.385.049
Fulfilment spread over time	252.594.418	339.021.321	134.650.595	211.597.091
	13.676.895.028	12.984.268.011	7.528.089.607	7.263.982.140

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NOTE 17 – REVENUE AND COST OF SALES (Cont'd)

b) Cost of Sales

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foods and materials used	(4.738.301.457)	(4.901.846.452)	(2.594.049.568)	(2.691.772.181)
Personnel expenses	(2.544.232.452)	(2.009.083.975)	(1.259.515.589)	(986.115.152)
General production cost	(1.651.810.029)	(1.595.954.300)	(853.396.633)	(773.333.731)
Amortization expenses related with leases	(916.398.388)	(832.671.140)	(461.415.236)	(425.154.061)
Rent expenses	(752.525.499)	(664.964.602)	(454.122.705)	(413.263.071)
Amortization expenses	(612.836.654)	(578.637.151)	(319.159.178)	(306.302.691)
Cost of sales to Franchised restaurants	(105.144.533)	(87.143.134)	(55.691.902)	(39.360.214)
Cost of merchandise sold	(60.934.268)	(70.277.165)	(31.771.327)	(24.378.374)
	(11.382.183.280)	(10.740.577.919)	(6.029.122.138)	(5.659.679.475)

NOT 18 – MARKETING, SELLING AND DISTRIBUTION AND ADMINISTRATIVE EXPENSES

a) General Administrative Expenses

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Personnel expenses	(203.516.003)	(177.265.768)	(93.385.329)	(91.872.108)
Depreciation expenses (Note 9, 10)	(62.837.716)	(59.331.042)	(32.725.252)	(31.407.002)
Financial and legal consultancy expenses	(57.403.703)	(55.759.377)	(27.875.644)	(32.510.341)
Rent expenses	(26.340.723)	(19.151.430)	(26.340.723)	(19.151.430)
Office expenses	(25.574.209)	(59.665.246)	(19.699.966)	(55.481.225)
Maintenance and repair expenses	(23.612.272)	(13.396.120)	(11.093.329)	(7.582.031)
Amortization expenses related with leases (Note: 11)	(23.970.450)	(21.780.377)	(12.069.348)	(10.966.626)
Travelling expenses	(12.978.468)	(3.553.746)	(5.837.139)	(1.699.580)
Electricity and fuel expenses	(7.911.119)	(5.528.807)	(3.869.429)	(2.543.517)
Insurance expenses	(2.795.083)	(5.845.919)	(682.665)	(828.468)
Duties, fees and other tax expenses	(2.771.129)	(6.058.816)	(2.058.205)	(1.042.107)
Other	(43.622.852)	(49.992.129)	(25.577.244)	(11.488.956)
	(493.333.727)	(477.328.777)	(261.214.273)	(266.573.391)

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NOT 18 – MARKETING, SELLING AND DISTRIBUTION AND ADMINISTRATIVE EXPENSES (Cont'd)

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Marketing and advertising expenses	(564.831.075)	(558.677.399)	(248.622.673)	(280.277.670)
Commission expenses	(73.887.498)	(87.632.886)	(36.919.551)	(49.604.981)
Other	(6.580.652)	(3.136.044)	(3.251.759)	(1.446.919)
	(645.299.225)	(649.446.329)	(288.793.983)	(331.329.570)

NOTE 19 – EXPENSE BY NATURE

The details of depreciation, amortisation and depletion expenses by expense accounts are as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Cost of sales	(612.836.654)	(578.637.151)	(319.159.178)	(306.302.691)
General administrative expenses	(62.837.716)	(59.331.042)	(32.725.252)	(31.407.002)
	(675.674.370)	(637.968.193)	(351.884.430)	(337.709.693)

The breakdown of amortisation expenses related to rights of use by expense accounts is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Cost of sales	(916.398.388)	(832.671.140)	(461.415.236)	(425.154.061)
General administrative expenses	(23.970.450)	(21.780.377)	(12.069.348)	(10.966.626)
	(940.368.838)	(854.451.517)	(473.484.584)	(436.120.687)

The details of personnel expenses by expense accounts are as follows

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Satışların maliyeti	(2.544.232.452)	(2.009.083.975)	(1.259.515.589)	(986.115.152)
General administrative expenses	(203.516.003)	(177.265.768)	(93.385.329)	(91.872.108)
	(2.747.748.455)	(2.186.349.743)	(1.352.900.918)	(1.077.987.260)

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NOTE 20 – OTHER OPERATING INCOME AND EXPENSES

a) Other Operating Income

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Rediscount income	110.191.551	56.673.854	71.081.776	26.539.100
Foreign currency gain on trade activities	49.803.576	246.434.748	7.316.948	128.182.090
Waste oil income (*)	23.679.792	40.957.785	12.116.498	18.296.952
Income from payroll protocol	10.859.437	10.983.409	3.344.221	4.384.774
Income from the maturity difference of trade receivables	638.180	1.083.886	253.102	451.325
Other	32.629.023	18.667.328	21.771.121	826.986
	227.801.559	374.801.010	115.883.666	178.681.227

(*) Revenues from waste oils sold abroad

b) Other Operating Expense

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Pre-opening and temporary closure expenses (*)	(145.444.014)	(115.222.619)	(76.261.255)	(49.229.780)
Foreign exchange losses on trade payables	(18.622.540)	(101.937.347)	-	(26.998.129)
Litigation expenses	(10.088.012)	(8.391.603)	(5.301.996)	(4.355.670)
Rediscount expenses	(8.376.634)	(14.394.429)	-	(7.466.613)
Recovery contribution fee	(6.093.821)	(2.028.665)	(3.293.610)	(181.555)
Other	(25.478.835)	(60.001.719)	(2.263.131)	(31.301.170)
	(214.103.857)	(301.976.382)	(87.119.993)	(119.532.917)

(*) Pre-opening restaurant expenses directly consist of pre-opening costs for new restaurants. There is construction process to prepare the restaurant for operation. During this process, the Group has to pay rent for the restaurant, employ the personnel to work in the restaurant and provide training to these personnel. Rent expenses, personnel expenses and personnel training expenses are recognised in pre-opening expenses. In addition, rent, electricity, water and natural gas expenses of temporarily closed restaurants are included in pre-opening expenses.

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NOT 21 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Interest income	560.661.881	102.139.599	336.656.630	92.060.704
Participation share income	234.258.970	-	67.389.328	-
Foreign exchange gains on investing activities	17.469.968	25.081.809	-	24.496.713
Insurance damage income	11.925.384	59.256.844	-	-
Insurance loss of profit income	-	29.628.422	-	-
Gain on sale of fixed assets	201.735	12.693.571	90.000	2.118.312
Other	-	9.397.973	-	4.434.789
	824.517.938	238.198.218	404.135.958	123.110.518

b) Expense from investing activities

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange expenses related to investment activities	(17.929.526)	-	(16.398.180)	-
Loss on sale of fixed assets	(5.498.323)	(48.292.852)	-	(12.408.960)
Closed restaurant expenses	(22.140)	(5.560.224)	-	(394.014)
Other	(1.973.662)	(6.616.692)	(1.973.662)	(6.616.692)
	(25.423.651)	(60.469.768)	(18.371.842)	(19.419.666)

NOT 22 – FINANCE INCOME AND FINANCE EXPENSES

c) Finance income

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gains	-	16.994.438	-	16.994.438
Interest income from payables to related parties	150.496.612	99.013.867	105.504.636	48.370.207
Foreign exchange gains on lease liabilities	-	457.617	-	457.617
	150.496.612	116.465.922	105.504.636	65.822.262

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NOTE 22 – FINANCE INCOME AND FINANCE EXPENSES (cont'd)

d) Finance expense

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange losses on financial liabilities (Note 4)	-	(276.123.181)	-	(244.106.998)
Interest expense (Note 4)	(4.072.034)	(221.436.009)	(3.466.152)	(139.657.817)
Credit card commissions	(135.309.554)	(54.829.001)	(73.335.349)	(30.964.231)
Interest expenses on lease liabilities	(192.042.619)	(148.737.315)	(93.971.108)	(69.665.140)
Letter of guarantee commissions	(5.188.446)	(5.721.614)	(2.167.661)	(3.786.664)
Foreign exchange losses on lease liabilities (Not 5)	(22.038.500)	(72.698.553)	(2.748.324)	(65.101.017)
Other	(26.183.578)	(23.828.559)	(18.830.494)	(9.594.444)
	(384.834.731)	(803.374.232)	(194.519.088)	(562.876.311)

NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current tax liability	30 June 2024	31 December 2023
Current corporate tax provision	195.419.843	365.358.598
Less: prepaid taxes and funds	(131.499.037)	(179.054.134)
	63.920.806	186.304.464

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Current tax expense	(190.855.715)	(14.956.945)	(70.137.087)	(12.236.372)
Deferred tax income	(173.088.514)	444.951.696	(80.596.632)	(33.893.645)
	(363.944.229)	429.994.751	(150.733.719)	(46.130.017)

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NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate tax

The Group is subject to corporate tax in Turkey. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the current period.

Corporate tax is payable on taxable corporate income, which is calculated by adding back non-deductible expenses to the tax base and deducting dividends received from resident companies, income not subject to tax and investment incentives used.

As of 30 June 2024, the statutory tax rate is 25% (31 December 2023: 25%).

In Turkey, advance tax is payable on a quarterly basis. Taxes are payable at the statutory corporate tax rate.

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income.

In Turkey, there is no definite and definitive reconciliation procedure for tax assessments. Companies file their tax returns between 1-25 April of the year following the close of the accounting period of the relevant year (between 1-25 of the fourth month following the close of the period for those with special accounting periods). These tax returns and the underlying accounting records can be reviewed and amended by the tax office within 5 years.

In addition to the tax liabilities of companies in Turkey, foreign subsidiaries and operations are also subject to corporate tax in their respective countries. This tax is recognised separately in current tax expense. The statutory tax rates applicable in the countries in which the Group operates are summarised below:

Countries	Corporate tax rate	Prepaid tax rate(%)
Turkish Republic of Northern Cyprus (TRNC) (*)	10%	15%
Macedonia	10%	5%
Georgia	10%	5%

(*) According to the corporate tax law in force in the TRNC, 10% corporate tax is paid on pre-tax income and 15% income tax withholding is levied on the remaining amount, whether or not the profit is distributed.

Income withholding tax

In addition to corporate income tax, companies should also calculate income withholding tax on dividends distributed, except for companies receiving dividends and declaring such dividends as part of their corporate income, and branches of foreign companies in Turkey. In Turkey, income tax withholding tax was applied as 10% for all companies between 24 April 2003 and 22 July 2006 and then increased to 15%. Dividends that are not distributed but capitalised are not subject to withholding tax.

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported under POA Financial Reporting Standards and its statutory tax financial statements. The tax rate used in the calculation of deferred tax assets and liabilities is 25% (2023: 25%).

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NOTE 23 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)

The deferred tax asset and liabilities consist of the following:

	30 June 2024	31 December 2023
Revaluation and revaluation of property, plant and equipment depreciation / amortisation of intangible assets	1.146.533.711	912.378.494
Social security premium cancellations	(4.629.731)	(6.834.536)
Lease liabilities	(38.102.138)	(32.847.749)
Provision for employment termination benefit (Note 13)	(35.680.728)	(31.263.752)
Provision for unused vacation (Note 13)	(40.098.174)	(31.652.614)
Contractual obligations	(15.347.325)	(21.343.947)
Litigation provisions (Note 12)	(5.862.153)	(7.832.680)
Trade receivables/payables rediscount (net)	27.797.886	1.214.092
Other	(158.319.857)	(77.016.241)
	876.291.491	704.801.067

As of 30 June 2024 and 2023, the movement of deferred tax (asset)/liability for the periods ended are as follows:

	2024	2023
Opening balance as of 1 January	704.801.067	644.655.435
Accounted for in the income statement	173.088.514	(444.951.696)
Accounted under equity	48.683	(1.097.240)
Monetary gain/loss	(1.646.773)	(42.112.451)
Closing balance on 30 June	876.291.491	156.494.048

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NOTE 24 – RELATED PARTY DISCLOSURES

The Group enters into various transactions with related parties in the ordinary course of business. The Group has a number of operational and financial relationships with its shareholders and companies owned by its shareholders. Receivables and payables from related parties arising from operational activities generally arise from the ordinary course of business. These transactions are as follows:

- (1) Purchases from related parties: TAB Gıda supplies meat, bread, fresh vegetables and other fast food products for its restaurants through Fasdat Gıda. It purchases machinery and equipment from MES Mutfak. Ekur provides construction, renovation, refurbishment and project drawing services for TAB Gıda restaurants before restaurant openings. Marketing, promotion and advertising activities of TAB Gıda products are carried out by Reklam Üssü.
- (2) Commissions received from related parties: TAB Gıda receives royalties on the turnover of related party franchise restaurants at a predetermined fixed rate.
- (3) Other significant transactions with related parties: TAB Gıda receives information technology services related to cash registers in restaurants. In addition, information technology services and IT based operations of the Group are provided by ATP Yazılım ve Teknoloji A.Ş. TAB Gıda's takeaway service is provided by Ata Express Elektronik İletişim Tanıtım Pazarlama Dağıtım San. ve Tic. A.Ş.
- (4) Short-term non-trade receivables from related parties: Consists of the money lent to TFI TAB Gıda Yatırımları A.Ş. by TAB Gıda.

Balances due from and due to related parties will be settled in cash and no collateral is received or given. No provision for doubtful receivables has been recognised in the current year for receivables from related parties. Transactions between the Company and its subsidiaries forming the Group are not disclosed in this note since they are eliminated on consolidation.

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

30 June 2024	Trade Receivables	Trade Receivables	Trade Payables
Balances with related parties	Current	Non-Current	Current
TFI TAB Gıda Yatırımları A.Ş.	-	-	(8.170.808)
Fasdat Gıda Dağıtım San. ve Tic A.Ş.	-	-	(1.350.854.967)
Reklam Üssü San. ve Dış Tic. A.Ş.	5.945	-	(71.246.298)
Ekur Et Entegre San. ve Tic. A.Ş.	-	-	-
Ekur İnşaat San.Tic.A.Ş.	-	-	-
Atp Ticari Bilgi.Elk.Güç Kaynakları A.Ş.	-	-	(75.601.925)
Seraş Servis Organizasyonları ve Ticaret A.Ş.	22.402	-	(779.424)
Bedela İnşaat ve Ticaret A.Ş.	-	-	(28.697)
Arbeta Turizm Org.ve Tic.A.Ş.	-	-	(1.205.202)
Ata Express Elektronik İletişim Tanıtım Paz.	588.688.562	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	42.211	-	-
Ata Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş.	7.991	-	(1.814.229)
Ata Yatırım Gayrimenkul Geliştirme Yat. İnş. A.Ş.	3.151	-	-
Ata Portföy Yönetimi A.Ş.	13.246	-	-
Ata Holding A.Ş.	146.134	-	-
Beray Gıda Bilişim Otomotiv San. Ve Tic.Ltf.Şti.	746.955	-	-
Tusem Gıda ve Turizm İşletmeleri Tic. Ltd. Şti.	622.287	-	-
Kınık Maden Suları A.Ş.	6.070.478	-	-
İntiba Gıda İmalat Ve Tic.Ltd.Şti.	189.810	-	-
Zenia Limited	-	-	(82.145)
Mapa Gıda ve Enerji İnş. Taah.San.Tic.Ltd.Şti.	-	-	(1.239.230)
Other	751.293	-	(920.536)
	597.310.465	-	(1.511.943.461)

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

31 December 2023	Trade	Trade	Trade Payables
Balances with related parties	Receivables - current	Receivables Non-Current	Current
TFI TAB Gıda Yatırımları A.Ş.	-	-	(8.019.238)
Fasdat Gıda Dağıtım San. ve Tic. A.Ş.	-	-	(1.131.076.644)
Reklam Üssü San. ve Dış Tic. A.Ş.	-	-	(161.372.890)
Ekur Et Entegre San. ve Tic. A.Ş.	-	-	(2.761.003)
Ekur İnşaat San.Tic.A.Ş.	-	-	-
ATP Yazılım ve Teknoloji A.Ş.	-	-	(148.321)
Seraş Servis Organizasyonları ve Ticaret A.Ş.	-	-	(1.051.525)
Bedela İnşaat ve Ticaret A.Ş.	-	-	(9.925)
Arbeta Turizm Org.ve Tic.A.Ş.	-	-	(1.372.481)
Ata Express Elektronik İletişim Tanıtım Paz.	322.636.235	-	-
Atakey Patates Gıda San. ve Tic. A.Ş.	136.500	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	90.233	-	(17.146)
Ata Yatırım Gayrimenkul Yatırım Ortaklığı A.Ş.	6.159	-	(1.126.265)
Ata Yatırım Gayrimenkul Geliştirme Yat. İnş. A.Ş.	-	-	(5.510.711)
Ata Portföy Yönetimi A.Ş.	15.608	-	-
Ata Holding A.Ş.	120.041	-	-
Beray Gıda Bilişim Otomotiv San. Ve Tic.Ltd.Şti.	464.172	-	-
Tusem Gıda ve Turizm İşletmeleri Tic. Ltd. Şti.	594.343	-	-
Kınık Maden Suları A.Ş.	5.656.074	-	(5.992)
İntiba Gıda İmalat ve Tic.Ltd.Şti.	177.739	-	-
Zenia Limited	-	-	(9.712.595)
Other	737.735	-	(1.138.542)
	330.498.339	-	(1.323.323.278)

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 January - 30 June 2024							
Transaction with related parties	Purchases	Sales	Commission received	Rent expense	Rent income	Other income	Other expense
TFI TAB Gıda Yatırımları A.Ş.	(41.010.043)	216.155	-	-	-	-	(7.467.424)
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(5.170.891.476)	8.828.425	-	-	111.102	-	(3.814)
Ata Ekspres Elk. İlt. Tan. A.Ş.	(57.380.621)	3.048.831.040	-	-	6.435	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	-	110.878	-	-	-	-	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(523.453.673)	7.217.589	1.370.721	(1.758.898)	-	9.320.438	(73.507)
ATP Yazılım ve Teknoloji A.Ş.	(293.403.659)	3.779.105	-	-	-	-	-
Seraş Servis Org. ve Ticaret A.Ş.	(7.303.279)	-	-	-	-	-	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(2.857.278)	31.127	-	(8.429.061)	-	-	-
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	(60.550)	24.174	-	-	-	-	-
Ata Portföy Yönetimi A.Ş.	-	111.707	-	-	-	-	-
Ata Holding A.Ş.	(1.695.005)	313.521	-	-	-	-	-
Bedela İnşaat ve Ticaret A.Ş.	(71.914)	-	-	(7.354.908)	-	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(14.996.312)	-	-	-	-	-	-
Ekur İnşaat Sanayi ve Tic. A.Ş.	(460.164.956)	2.443.628	3.983.211	-	1.501.137	2.607.700	(13.497.831)
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	(49.414)	2.373.412	2.621.029	-	-	-	-
Mes Mutfak Ekp. Tic. A.Ş.	(665.188.951)	7.838.115	-	-	(3.475.109)	-	-
Ertuğ Reklam San.ve Tic. A.Ş.	(1.067.812)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	(1.012.548)	5.135.018	8.915.412	-	2.352.679	-	(158.135)
Beray Bil. Mar. İnş. Ltd. Şti.	(49.164)	1.134.907	1.888.629	-	447.771	-	-
Konuk Ağırlama Teknolojileri ve Uyg. A.Ş.	(27.432)	4.934.799	4.816.821	-	3.254.137	-	-
Sedko İnşaat ve Tic. .A.Ş.	(633.998)	-	-	(633.998)	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	462.580	-	-	-	-	-
Fbb Gıda San.Tic.Ltd.Şti.	(128.900)	-	-	-	-	-	-
Zenia Limited	(32.103.973)	-	-	-	-	-	-
	(7.273.550.959)	3.093.786.182	23.595.824	(18.176.865)	4.198.152	11.928.138	(21.200.711)

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 January - 30 June 2023							
Transaction with related parties	Purchases	Sales	Commission received	Rent expense	Rent income	Other income	Other expense
TFI TAB Gıda Yatırımları A.Ş.	(43.508.090)	5.136	-	-	-	260.900.745	(627.237)
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(5.649.858.789)	412.179.680	2.187	(2.692.295)	-	-	(7.993.460)
Ata Ekspres Elk. İlt. Tan. A.Ş.	(2.377.364)	2.284.238.954	-	-	323.738	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	-	98.469	-	-	-	-	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(516.002.447)	8.855.298	1.910.124	(9.719)	43.514	11.826.744	(1.534.697)
ATP Yazılım ve Teknoloji A.Ş.	(144.236.464)	3.684.533	-	-	-	423.022	(11.026.867)
Seraş Servis Org. ve Ticaret A.Ş.	(7.154.577)	-	-	-	-	-	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(21.131)	498	-	(5.771.707)	-	39.926	(1.293.770)
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	(43.922)	-	-	-	-	26.375	-
Ata Portföy Yönetimi A.Ş.	-	62.176	-	-	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	-	-	-	-	-	-
Ata Holding A.Ş.	-	26.147	-	-	-	212.534	-
Bedela İnşaat ve Ticaret A.Ş.	(5.865.912)	-	-	-	-	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(3.120.908)	-	-	-	-	-	-
Ekur İnşaat Sanayi ve Tic. A.Ş.	(315.975.659)	5.099.659	4.522.749	-	-	1.998.589	(495.907)
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	(1.059)	1.118.679	2.626.840	-	1.338.326	-	(99.741)
Mes Mutfak Ekp. Tic. A.Ş.	(294.403.542)	32.780.873	-	(3.873.327)	-	-	(3.666.857)
Ertuğ Reklam San.ve Tic. A.Ş.	(1.139.644)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	(1.522.021)	2.901.951	9.962.038	-	5.725.763	-	-
Beray Bil. Mar. İnş. Ltd. Şti.	(1.274)	1.655.588	1.857.046	-	-	-	(56.918)
Konuk Ağırılama Teknolojileri ve Uyg. A.Ş.	-	2.302.231	4.796.598	-	5.304.191	-	(40.935)
Sedko İnşaat ve Tic. .A.Ş.	(1.384.111)	-	-	-	-	-	-
	(6.986.616.915)	2.755.009.872	25.677.582	(12.347.047)	12.735.533	275.427.935	(26.836.388)

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 April - 30 June 2024

Transaction with related parties	Purchases	Sales	Commission received	Rent expense	Rent income	Other income	Other expense
TFI TAB Gıda Yatırımları A.Ş.	(16.530.099)	-	-	-	-	-	(7.467.424)
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(2.990.028.873)	3.419.968	-	-	111.102	-	(3.814)
Ata Ekspres Elk. İlt. Tan. A.Ş.	(22.137.047)	1.721.812.347	-	-	-	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	-	60.697	-	-	-	-	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(225.749.443)	6.198.469	712.086	(1.084.471)	-	2.890.983	(73.507)
ATP Yazılım ve Teknoloji A.Ş.	(161.495.434)	1.854.233	-	-	-	-	13.740.564
Seraş Servis Org. ve Ticaret A.Ş.	(4.080.317)	-	-	-	-	-	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(315.864)	11.493	-	(4.757.523)	-	-	-
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	(60.550)	10.370	-	-	-	-	-
Ata Portföy Yönetimi A.Ş.	-	48.737	-	-	-	-	-
Ata Holding A.Ş.	-	140.972	-	-	-	-	-
Bedela İnşaat ve Ticaret A.Ş.	(71.914)	-	-	(3.663.748)	-	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(8.169.592)	-	-	-	-	-	-
Ekur İnşaat Sanayi ve Tic. A.Ş.	(239.513.224)	2.131.819	2.192.413	-	-	1.401.633	(13.497.831)
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	(30.455)	1.812.904	1.469.160	-	(763.590)	-	-
Mes Mutfak Ekp. Tic. A.Ş.	(371.455.406)	1.400.615	-	-	(3.475.109)	-	-
Ertuğ Reklam San.ve Tic. A.Ş.	(850.179)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	(486.614)	4.006.507	4.974.170	-	-	-	(158.135)
Beray Bil. Mar. İnş. Ltd. Şti.	(26.069)	983.423	1.114.369	-	-	-	-
Konuk Ağırlama Teknolojileri ve Uyg. A.Ş.	(7.726)	4.210.135	2.908.332	-	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	-	191.788	-	-	-	-	-
Fbb Gıda San.Tic.Ltd.Şti.	(56.648)	-	-	-	-	-	-
Sedko İnşaat ve Tic. .A.Ş.	-	-	-	(633.998)	-	-	-
Zenia Limited	(16.190.352)	-	-	-	-	-	-
	(4.057.255.806)	1.748.294.477	13.370.530	(10.139.740)	(4.127.597)	4.292.616	(7.460.146)

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

1 April - 30 June 2023

Transaction with related parties	Purchases	Sales	Commission received	Rent expense	Rent income	Other income	Other expense
TFI TAB Gıda Yatırımları A.Ş.	(23.699.342)	-	-	-	-	260.900.745	(627.237)
Fasdat Gıda Dağ. San.ve Tic A.Ş.	(3.306.898.111)	404.007.948	2.187	(2.692.295)	-	-	(7.993.460)
Ata Ekspres Elk. İlt. Tan. A.Ş.	-	1.310.859.241	-	-	156.400	-	-
Ekur Et Entegre Sanayi ve Ticaret A.Ş.	-	63.748	-	-	-	-	-
Reklam Üssü San. ve Dış Tic. A.Ş.	(492.085.081)	-	1.225.480	(9.719)	-	11.817.025	(217.526)
ATP Yazılım ve Teknoloji A.Ş.	(82.137.869)	3.684.533	-	-	-	341.196	(10.094.581)
Seraş Servis Org. ve Ticaret A.Ş.	(3.196.069)	-	-	-	-	-	-
Ata Gayr. Yatırım Ortaklığı A.Ş.	(21.131)	498	-	(3.415.629)	-	22.157	(1.278.698)
Ata Gayrimenkul Gel. Yat. Ve İnş. A.Ş.	-	-	-	-	-	13.296	-
Ata Portföy Yönetimi A.Ş.	(37.788)	62.176	-	-	-	-	-
Ata Yatırım Menkul Kıymetler A.Ş.	(188.561)	-	-	-	-	-	-
Ata Holding A.Ş.	-	3.883	-	-	-	118.014	-
Bedela İnşaat ve Ticaret A.Ş.	(2.923.807)	-	-	-	-	-	-
Arbeta Turizm Org.ve Tic.A.Ş.	(1.542.299)	-	-	-	-	-	-
Ekur İnşaat Sanayi ve Tic. A.Ş.	(210.214.102)	4.412.041	2.562.681	-	-	748.838	-
Tusem Gıda ve Tur. İşl. Tic. Ltd. Şti.	(1.059)	429.406	1.429.010	-	761.319	-	(98.993)
Mes Mutfak Ekp. Tic. A.Ş.	(160.905.662)	18.662.248	-	(3.873.327)	1.303.033	-	-
Ertuğ Reklam San.ve Tic. A.Ş.	(472.930)	-	-	-	-	-	-
Kınık Maden Suları A.Ş.	(1.359.858)	2.901.951	5.661.513	-	3.167.204	-	-
Beray Bil. Mar. İnş. Ltd. Şti.	(95.120)	983.009	1.115.261	-	-	-	(56.918)
Konuk Ağırılama Teknolojileri ve Uyg. A.Ş.	381	522.027	3.132.025	-	3.177.274	-	(40.935)
Sedko İnşaat ve Tic. .A.Ş.	(1.384.111)	-	-	-	-	-	-
	(4.287.162.519)	1.746.592.710	15.128.157	(9.990.970)	8.565.229	273.961.271	(20.408.348)

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NOTE 24 – RELATED PARTY DISCLOSURES (cont’d)

Advances given to related parties	30 June 2024	31 December 2023
Fasdat Gıda Dağıtım San. Tic. A.Ş.	490.540.232	762.128.338
Ekur İnşaat San. Tic. A.Ş.	212.637.380	148.206.158
Mes Mutfak Ekip. San. Tic. A. Ş.	292.004.144	79.683.106
	995.181.756	990.017.602

Benefits provided to board members and senior management personnel are as follows:

	30 June 2024	31 December 2023
Salaries and other short-term benefits	38.856.452	11.460.459
	38.856.452	11.460.459

The Company consists of senior management and members of the Board of Directors. Benefits provided to senior executives include salaries, bonuses and health insurance.

NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Financial risk management is carried out within the framework of policies approved by the Board of Directors of the Group. The majority of the members of the Group's Board of Directors consists of members from Kurdoğlu family. The Group's financial operations and risk assessment policies are managed centrally. Subsidiaries are administered as if they have a holding structure and risk assessment policies and procedures are centrally managed. The risk management policies of all these companies are disclosed as if they were within the Group holding structure.

In the normal course of business operations, the Group is exposed to various market risks such as fluctuations in exchange rates, interest rates, and raw material prices for products that are beyond its control, and these fluctuations may have a negative impact on financial assets and liabilities, future cash flows and profit. The Group's risk management program generally aims to minimize the effects of the financial market's uncertainty on the Group's financial performance.

The Group's main financial instruments are bank loans, leases, debt given to related parties, cash and short term deposits. The main purpose of these financial instruments is to generate financing for the Group's activities. The Group also has other various financial instruments resulting from its direct operations, such as trade payables and trade receivables.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The management develops and approves implementation policies to manage these risks.

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont'd)

a) Capital Risk Management

In capital management, the Group aims to increase its profit by using the debt and equity balance in the most efficient way while trying to ensure the continuity of its operations.

The Group's capital structure includes debts, including loans described in Note 4, and equity items, including cash and cash equivalents described in Note 3, issued capital described in Note 16, reserves and retained earnings from the previous year.

The Group evaluates the risks associated with each capital class with the capital cost by upper management. The Group aims to keep the capital structure balanced through new debt acquisition or repayment of existing debt, as well as through dividend payments, new shares issuance, and share repurchases, based on the upper management's suggestions.

The Group's net debt and capital position is as follows:

	30 June 2024	31 December 2023
Total borrowings	46.586.172	115.730.206
Less: cash and cash equivalents	4.992.427.961	4.920.871.036
Net Debt	(4.945.841.789)	(4.805.140.830)
Total Equity	12.924.694.365	12.074.179.987
Rate	%38	%40

b) Financial Risk Factors

The risk management program is generally focused on minimizing the potential adverse effects of financial market uncertainty on the Group's financial performance.

The Group's risk management is carried out by a central finance department in line with policies approved by the Board of Directors. While providing services related to commercial activities, the Group's finance department is also responsible for ensuring regular access to domestic and foreign financial markets and monitoring the level and magnitude of financial risks related to the Group's activities.

b.1) Credit Risk Management

The risk of a financial loss to the Group due to a party to a financial instrument failing to meet its contractual obligations is defined as credit risk. The Group tries to reduce the credit risk by only conducting transactions with creditworthy parties and trying to obtain adequate collateral when possible. The credit risks that the Group is exposed to and the customers' credit ratings are continuously monitored.

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

b.1) Credit Risk Management (cont’d)

A large part of trade receivables are receivables from sub-franchisee companies. The credibility of sub-franchisee companies is determined by the analyses carried out on the financial structure by the franchise department and the credibility of the sub-franchisee company shareholders. In addition, during the sub-franchise agreement process, the Group requests the establishment of a credit limit with an intermediary financial institution for sub-franchisees. The credit limit is determined according to the commercial transaction volume of the sub-franchisee. According to these credit limit agreements, the Group can directly collect from financial institutions in case the receivable's due date is passed. The limit and collection risk are continuously reviewed by the Group's finance department. Also, the Group continuously conducts credit assessments about the financial status of sub-franchisees.

The total amount of credit limits opened as receivable collateral for sub-franchisees is TL 65.886.500 (31 December 2023: TL 47.455.274). The level of risks and collateral structure are constantly monitored by the Group Management.

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

30 June 2024	Trade Receivables Related Party	Trade Receivables Other Party	Other Receivables Related Party	Other Receivables Other Party	Bank Deposits	Restricted Cash
Maximum credit risk exposed (A+B+C+D+E)	597.310.465	658.469.960	-	34.393.345	4.874.281.060	56.346.298
- The part of maximum risk under guarantee with collateral						
A. Net book value of financial assets that are neither past due or impaired	597.310.465	658.469.960	-	34.393.345	4.874.281.060	56.346.298
B. Net book value of financial assets that are renegotiated	-	-	-	-	-	-
C. Carrying value of financial assets that past due but not impaired						
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets						
- Gross carrying amount	-	6.763.156	-	-	-	-
- Impairment	-	(6.763.156)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-	-	-

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

31 December 2023	Trade Receivables Related Party	Trade Receivables Other Party	Other Receivables Related Party	Other Receivables Other Party	Bank Deposits	Restricted Cash
Maximum credit risk exposed (A+B+C+D+E)	330.498.339	480.132.800	-	37.014.172	4.822.000.265	44.709.774
- The part of maximum risk under guarantee with collateral	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due or impaired	330.498.339	480.132.800	-	37.014.172	4.822.000.265	44.709.774
B. Net book value of financial assets that are renegotiated	-	-	-	-	-	-
C. Carrying value of financial assets that past due but not impaired - The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets - Gross carrying amount - Impairment - The part of net value under guarantee with collateral etc.	-	8.435.995 (8.435.995)	-	-	-	-
E. Off-balance sheet items with credit risk (-)	-	-	-	-	-	-

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TAB GIDA SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

b.2) Market risk management

The Group's activities expose it to financial risks associated with changes in foreign exchange rates (b.3.1), interest rates (b.3.2) and commodity price risk (b.3.3).

The Group's policy for these market risks is to assess potential losses and their consolidated impact and to minimise the Group's exposure to market risks. The Group's overall risk management plan focuses on the uncertainty of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group management continuously assesses fluctuations in foreign currency exchange rates, interest rates and commodity prices.

b.3) Liquidity risk management

The Group manages liquidity risk by regularly monitoring forecast and actual cash flows with the treasury department and ensuring that sufficient funds and borrowing reserves are maintained by matching the maturities of financial assets and liabilities. To eliminate the risk of fund requirements, the Group has various credit lines with the most reputable financial institutions in Turkey. The Group currently has adequate credit lines and expects to keep these available credit lines available for utilisation and to renew existing credit balances as they fall due. The Group management believes that it will be able to obtain short-term financing as and when required. In addition, the Group has improved its credit lines and extended the terms of its trade payables.

Liquidity Risk Statement

The following table summarises the maturity profile of the Group's non-derivative financial liabilities. The table includes interest and principal amounts payable on the liabilities:

30 June 2024	Carrying value	Contractual cash flows	Less than 3 months	Between 3-12 months	1 year and over
Bank loans	46.586.172	55.816.213	37.967.255	17.848.958	-
Lease liabilities	2.993.396.740	4.577.965.228	337.592.209	833.361.307	3.407.011.712
Trade payables (Related parties included)	2.257.155.850	2.374.157.243	2.073.146.758	164.612.855	136.397.630
	5.297.138.762	7.007.938.684	2.448.706.222	1.015.823.120	3.543.409.342
31 December 2023	Carrying value	cash flows	Less than 3 months	Between 3-12 months	1 year and over
Bank loans	115.730.205	119.750.469	85.211.304	34.539.165	-
Lease liabilities	2.540.725.151	2.918.817.016	275.459.204	826.377.611	1.816.980.201
Trade payables (Related parties included)	2.042.759.300	2.255.745.115	1.927.780.856	153.070.452	174.893.807
	4.699.214.656	5.294.312.600	2.288.451.364	1.013.987.228	1.991.874.008

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

b.4) Foreign currency risk management

The Group is exposed to foreign exchange risk mainly due to fluctuations in US Dollar and Euro exchange rates. Foreign exchange risk is primarily related to bank borrowings and foreign currency-denominated receivables and payables. While the majority of the Group's long-term debt is denominated in USD, the Group generates its revenues and cash from operations in TL.

The Group Management periodically assesses market conditions and formulates a foreign currency strategy based on exchange rate expectations. The Group utilises TL and foreign currency-denominated borrowings and determines the rate based on the overall foreign currency strategy. Foreign currency-denominated assets and liabilities of monetary and non-monetary items are as follows:

	30 June 2024		
	TL Equivalents	USD	EUR
1. Trade Receivables	787.829	24.000	-
2a. Monetary Financial Assets	51.969.430	112.593	1.333.982
2b. Non Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current Assets	52.757.259	136.593	1.333.982
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	3.570.549	101.516	6.780
6b. Non Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	3.570.549	101.516	6.780
9. Total Assets (4+8)	56.327.808	238.109	1.340.762
10. Trade Payables	386.365.797	11.743.719	4.335
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	35.192	-	1.000
12b. Other Non Monetary Liabilities	-	-	-
13. Short Term Liabilities	386.400.989	11.743.719	5.335
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non Monetary Liabilities	-	-	-
17. Long Term Liabilities	-	-	-
18. Total Liabilities (13+17)	386.400.989	11.743.719	5.335
19. Net Foreign Exchange Asset / Liability) Position (9-18)	(330.073.181)	11.743.719	1.335.426
20. Net Monetary Items Foreign Exchange Asset /(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(330.073.181)	11.743.719	1.335.426

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

	31 December 2023		
	Total Equivalents	USD	EUR
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	60.492.571	1.503.220	122.916
2b. Non Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current Assets	60.492.571	1.503.220	122.916
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	7.058.253	151.516	36.786
6b. Non Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets	7.058.253	151.516	36.786
9. Total Assets (4+8)	67.550.824	1.654.735	159.702
10. Trade Payables	168.200.723	4.511.789	54.803
Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	40.704	-	1.247
12b. Other Non Monetary Liabilities	-	-	-
13. Short Term Liabilities	168.241.427	4.511.789	55.803
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non Monetary Liabilities	-	-	-
17. Long Term Liabilities	-	-	-
18. Total Liabilities (13+17)	168.241.427	4.511.789	55.803
19. Net Foreign Exchange Asset / Liability) Position (9-18)	(100.690.604)	(2.857.054)	103.899
20. Net Monetary Items Foreign Exchange Asset /(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(100.690.604)	(2.857.053)	103.899

	30 June 2024		31 December 2023	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
If the USD changes by against the TL	(37.768.549)	37.768.549	(10.490.993)	10.490.993
If the EUR changes by against the TL	(4.691.139)	4.691.139	(422.152)	422.152
Total	(42.459.688)	42.459.688	(10.913.145)	10.913.145

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NOTE 25 – FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont’d)

b.6) Commodity price risk

The Group is exposed to price risk due to fluctuations in food prices. The Group purchases large quantities of food and supplies. Weather fluctuations alter supply and demand trends, and economic conditions can adversely affect the cost, condition and quality of critical products such as meat. Failure to obtain high-quality ingredients in the required quantities may adversely affect the Group's ability to provide menus and the Group may not be able to pass on rising costs to its customers due to the highly competitive nature of the industry.

The Group supplies foodstuffs to Fasdat Gıda Dağıtım San. Tic. A.Ş. ("Fasdat"), a related party. Fasdat purchases large quantities of meat for its operations. The meat sector is subject to significant price fluctuations due to seasonal changes, government regulations, demand in the sector and other factors. The Group manages the price risk arising from foodstuffs through agreements with Fasdat that fix the price for certain products. Fasdat can fix prices for meat, chicken, potatoes and soft drinks for up to one year through purchase contracts. This allows the Group to avoid the costs of using derivative instruments, which it cannot pass on to its customers due to the competitive nature of the Quick Service Restaurants (QSR) industry while ensuring cost predictability.

NOTE 26 – SHARE BASED PAYMENTS

The calculation of earnings per share and diluted earnings per share attributable to equity holders of the parent company are as follows:

	2024	2023
Net profit/(loss) attributable to equity holders of the parent company	913.001.374	2.128.554.903
Weighted average number of shares outstanding during the period	261.292.000	232.417.000
Earnings per share	3,49	9,16

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

At the 2023 Ordinary General Assembly Meeting held on June 14, 2024, it was decided to distribute a gross of TL 146,500,000, all of which would be covered from the profit of the period, and to pay all of the profit to be distributed in cash, and dividends were distributed as of July 8, 2024.