

1Q 2024 Financial and Operational Highlights

(All financial figures are in line with IAS 29 unless otherwise stated)

(Million TL)	1Q 2023	1Q 2024	YoY change
Number of tickets ('000)	44,340	44,986	1,5%
Net sales	5,277	5,672	7,5%
Gross profit	590	734	24%
Gross margin	11.2%	12.9%	1.8 pp
Adj. EBITDA ¹	815	938	15%
Adj. EBITDA margin	15.5%	16.5%	1.1 pp

Key highlights in 1Q 2024

(All financial figures are in line with IAS 29 unless otherwise stated)

- Net sales increased by 7.5% YoY to 5.7 billion TL. (Without applying IAS 29, net sales grew by 79% YoY to TL 5.4 billion.)
- Gross profit increased by 24% YoY to 734 million TL. Gross margin improved by 1.8pp to 12.9%. (Without applying IAS 29, gross profit grew by 97% YoY to 887 million TL.)
- Adjusted EBITDA increased by 15% YoY to 938 million TL. Adjusted EBITDA margin increased by 1.1pp to 16.5%. (Without applying IAS 29, adj. EBITDA grew by 86% YoY to TL 855 million.)
- System-wide sales (without applying IAS 29) increased by 81% YoY to 7.7 billion TL.
- LFL² system-wide sales (without applying IAS 29) increased by 67% YoY.

Comments of Co-CEOs Özgür Çetinkaya, Gökhan Asok, and Sinan Ünal

During the first quarter, despite seasonal effects and the impact of Ramadan, we have started the year successfully. Our system-wide sales, which includes sales from both our own restaurants and franchisee operated restaurants, reached 7.7 billion TL, an 81% increase compared to the previous year. Similarly, our revenues grew by 79% year-on-year on an inflation unadjusted basis.

Based on IAS 29, our revenues delivered a real growth of 7.5% year-on-year, reaching 5.7 billion TL. Gross profit reached 734 million TL and Adjusted EBITDA increased to 938 million TL, showing year-on-year increases of 24% and 15%, respectively, thanks to our effective cost management and strong sales performance. During the quarter we continued our expansion strategy, opening 39 new restaurants this quarter, bringing our total restaurant count to 1,654. The proportion of franchise operated restaurants within our total restaurant portfolio has increased to 43%, up from 38% in the same period last year. This growth in franchise participation across all our brands highlights our franchisees' excellent representation and their significant contribution to our profitable expansion. Our consistent expansion of restaurants is important for increasing our market presence and catering to a broader customer base, thus driving revenue growth. In 1Q 2024, the number of tickets rose to 45 million, highlighting our success in attracting more customers. Additionally, our continued expansion of delivery services led to a substantial increase in home delivery orders, reaching 11 million and reflecting an 18% year-on-year growth. This growth is significant as it underscores our ability to meet evolving consumer demands and leverage the growing trend towards convenience and online ordering.

In line with our digitalization efforts, we installed additional self-order screens, which are essential for enhancing customer experience and operational efficiency. Within our portfolio, we now have

¹ Adjusted EBITDA is calculated by deducting operating expenses from gross profit and adding depreciation and amortisation, waste oil income, salary protocol income and insurance income related to profit losses.

² LFL restaurants include restaurants that have been open for the last 13 months.

768 self-order screens in our restaurants and growing every day. These screens help reduce que times and improve order accuracy, ultimately contributing to higher customer satisfaction, creating effective upsell opportunity as well as more efficient cost management.

In conclusion, we are pleased to report that our operations are performing exceptionally well, demonstrating robust and consistent growth. While inflation accounting can introduce complexities that may cloud the operational performance occasionally, we remain confident in our continued success, in delivering our guidance provided by the end of 2023, and in the promising future that lies ahead.

We would like to extend our heartfelt thanks to all our stakeholders, franchisees, employees, and investors for their support and confidence in our vision. Your dedication and commitment are integral to our achievements and ongoing success.

Guidance for FY 2024

For FY 2024, our guidance remains as announced on December 25th, 2023, with projections excluding the impact of IAS 29 inflation accounting. We are on track for growth, expecting system-wide sales to hit 47 billion TL, around an 85% increase from 2023. Our consolidated revenues are projected to grow by about 80% to 30 billion TL, with an Adjusted EBITDA of approximately 6.4 billion TL. Moreover, we plan to add more than 200 new restaurants to our network.

Key Operational and Financial Figures

Based on the CMB's decision dated 28 December 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published by the POA with the announcement made on 23 November 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2023.

As of March 31, 2024, an adjustment has been made in accordance with the requirements of IAS 29 ("Financial Reporting in High Inflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. IAS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TUIK").

The relevant figures for the previous reporting period are rearranged by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit valid at the end of the reporting period.

However, certain items from our financials are also presented without inflation adjustment for information purposes in order to give an idea of our performance relative to the Price Determination Report, which was prepared on 4 September 2023 and published on Public Disclosure Platform on 13 October 2023 and relative to our 2024 forecasts, which we announced on 25 December 2023 and which were based on the financials without inflation adjustment. Below analysis is based on financial statements without the application of IAS 29.

Key Operational and Financial Figures* (million TL)	1Q 2023	1Q 2024	y/y change
Number of tickets ('000)	44,340	44,986	1.5%
System-wide sales	4,231	7,651	81%
Net sales	2,993	5,353	79%
Gross profit	451	887	97%
Adj. EBITDA	461	855	86%
Gross margin	14.7%	16.6%	1.8 pp
Adj. EBITDA margin	15.4%	16.0%	0.6 pp

*Based on IAS 29 unadjusted financials

In 1Q 2024:

Our **system-wide sales** increased by 81% YoY to 7.7 billion TL. Our **revenues** were up by 79% YoY and reached TL 5.4 billion TL. *Adjusted for IAS-29, our revenues grew by 7.5% YoY in reel terms to 5.7 billion TL.* **Number of tickets** grew by 1.5% YoY to 45.0 million. Our up-selling efforts and ticket mix shift in favor of home delivery, where average ticket size tend to be higher along with our capability of passing on cost increases into product prices helped us grow average tickets, translating into solid revenue growth.

Gross profit increased by 97% YoY and reached 887 million TL. Gross margin materialized at 16.6%, corresponding to a 1.8 percentage points improvement compared to the same period last year. *Adjusted for inflation accounting, gross profit rose by 24% YoY to 734 million TL with a gross margin of 12.9% corresponding to 1.8 percentage points improvement.* Despite higher personnel expenses as a percentage of revenues, strong execution on procurement helped the company drive gross margin improvement.

TAB Gıda reported **Adjusted EBITDA** of 855 million TL, corresponding to 86% YoY growth. Accordingly, the Adjusted EBITDA margin was posted at 16.0% representing a 0.6 pp improvement compared to the same period last year. *After applying for IAS 29, the Adjusted EBITDA grew by 15% YoY and came in at 938 million TL with an Adjusted EBITDA margin of 16.5%, up by 1.1 percentage points.* The improvement in the gross margin level was the key driver of Adjusted EBITDA margin expansion despite slightly higher sales marketing expenses as a percentage of revenues. As may be recalled, the country experienced a devastating earthquake in 1Q 2023, when our company chose to lower its marketing communication, resulting in low base in terms of sales and marketing spending.

Profit before tax jumped remarkably by 339% to 604 million TL. Strong operational performance along with net financial income of 572 million TL booked in 1Q 2024 versus 216 million TL in 1Q 2023 helped our company to post strong improvement in profit before tax. *When applying for IAS 29 inflation accounting, the company booked non-cash 94 million TL of monetary loss in 1Q 2024 versus 717 million TL of non-cash monetary gain in 1Q 2023 as result of significant increase in shareholders' equity following the IPO took place in October 2023. Accordingly, profit before tax came in at 330 million TL.*

At the bottom line, TAB Gıda recorded 616 million TL **net income** in 1Q 2024, marking a 43% YoY increase. Our company had booked a net tax income of 291 million TL 1Q 2023 on the back of fixed asset revaluations. This compares with significantly lower net tax income of 12 million TL booked in 1Q 2024. Accordingly, net income growth lagged profit before tax increase. *Adjusted for inflation accounting, the company booked a net tax expense of 197 million TL in 1Q 2024 versus a non-cash 439 million TL of tax income in 1Q 2023, predominantly resulted from deferred tax income. Accordingly, net income adjusted for IAS 29 came in at 133 million TL.*

As of the end of 1Q 2024, total cash stands at 4.2 billion TL with a financial debt of a mere 65 million TL.

TAB Gıda Consolidated Income Statement

(TL)	1 January - 31 March 2024	1 January - 31 March 2023	Change (%)
Revenue	5,672,074,098	5,276,778,675	7.5%
Cost of revenue (-)	(4,938,025,742)	(4,686,964,456)	5.4%
Gross profit	734,048,356	589,814,219	24%
General administrative expenses (-)	(328,864,553)	(293,452,420)	12%
Marketing, selling and distribution expenses (-)	(214,122,688)	(194,415,027)	10%
Other income	103,240,637	180,914,156	-43%
Other expense (-)	(117,138,507)	(168,298,194)	-30%
Operating income / loss	177,163,245	114,562,734	55%
Income related to investing activities	387,788,778	106,164,680	265%
Expense related to investing activities (-)	(6,505,066)	(37,867,391)	-83%
Operating profit before financial income	558,446,957	182,860,023	205%
Financial income	41,503,642	46,717,138	-11%
Financial expenses (-)	(175,560,024)	(221,851,553)	-21%
Monetary gain / (loss)	(94,480,862)	717,275,067	-113%
Profit before tax	329,909,713	725,000,675	-54%
Tax expenses	(111,359,029)	(2,509,641)	4337%
Deferred tax income / (expense)	(85,320,769)	441,719,337	-119%
Profit for the period	133,229,915	1,164,210,371	-89%

Adjusted EBITDA calculation (TL)	1 January - 31 March 2024	1 January - 31 March 2023	Change (%)
Gross profit	734,048,356	589,814,219	24%
- Operating expenses	(542,987,241)	(487,867,447)	11%
+ Waste oil income	10,666,765	20,903,885	-49%
+ Salary protocol revenues	6,932,544	18,288,987	-62%
+ Insurance income related to profit losses	-	27,331,261	n.m.
+ Depreciation and amortization	298,685,746	276,978,754	8%
+ Depreciation related to lease obligations	430,685,622	382,066,275	13%
Adjusted EBITDA	938,031,792	815,313,974	15%

TAB Gıda Consolidated Balance Sheet

(TL)	as of 31 March 2024	as of 31 December 2023
Current Assets		
Cash and cash equivalents	4,180,686,612	4,539,344,349
Trade receivables	926,791,695	747,781,003
- Trade receivables from related parties	453,299,599	304,874,026
- Trade receivables from third parties	473,492,096	442,906,977
Other receivables	5,626,029	3,286,437
- Other receivables from related parties	-	-
- Other receivables from third parties	5,626,029	3,286,437
Inventories	302,346,696	324,562,680
Prepayments	1,116,153,811	960,075,459
Other current assets	27,383,925	21,570,738
Total current assets	6,558,988,768	6,596,620,666
Non-Current Assets		
Other receivables	27,722,215	30,857,940
- Other receivables from related parties	-	-
- Other receivables from third parties	27,722,215	30,857,940
Property, plant and equipment	6,261,569,548	6,013,871,430
Intangible assets	652,827,108	672,593,306
Right of use assets	4,745,975,735	4,060,074,662
Prepayments	41,423,806	38,929,233
Other non-current assets	6,452,677	6,893,127
Total non-current assets	11,735,971,089	10,823,219,698
TOTAL ASSETS	18,294,959,857	17,419,840,364

(TL)	as of 31 March 2024	as of 31 December 2023
Short-Term Liabilities		
Short term financial liabilities	40.367.945	65.245.231
Current portion of long-term financial liabilities	24.950.650	41.512.139
Short term lease liabilities	1.000.247.737	798.709.865
Trade payables	1.888.092.421	1.723.045.495
- Trade payables to related parties	1.375.092.865	1.220.722.917
- Trade payables to third parties	512.999.556	502.322.578
Other payables	891.728	933.807
- Other payables to third parties	891.728	933.807
Employee benefit obligations	460.795.621	367.688.906
Current provisions	180.635.950	145.695.626
- Current provisions for employee benefits	158.865.524	116.794.051
- Other current provisions	21.770.426	28.901.575
Deferred revenues	171.245.465	198.316.080
Current tax liabilities	238.492.199	171.859.841
Other current liabilities	60.363.647	86.557.793
Total current liabilities	4.066.083.363	3.599.564.783
Long-Term Liabilities		
Long term lease liabilities	1.830.020.509	1.545.026.899
Long term trade payables	131.889.933	161.333.880
- Long term trade payables to unrelated parties	131.889.933	161.333.880
Non-current portion of employee benefit obligations	133.222.397	115.359.199
Non-current portion of unearned revenues	157.682.546	210.358.958
Deferred tax liabilities	735.244.365	650.156.186
Total non-current liabilities	2.988.059.750	2.682.235.122
Shareholders' Equity		
Share capital	261.292.000	261.292.000
Share capital adjustment differences	2.039.041.403	2.039.041.403
Share premium	4.234.515.492	4.234.515.492
Currency translation adjustment	(15.569.542)	14.160.740
Losses on remeasurements of defined benefit plans	3.550.276	4.273.624
Revaluation of property, plant and equipment	576.465.407	576.465.407
Profit for the year	133.229.915	2.828.020.651
Accumulated losses	4.008.291.793	1.180.271.142
Share capital	261.292.000	261.292.000
Share capital adjustment differences	2.039.041.403	2.039.041.403
SHAREHOLDERS' EQUITY	11.240.816.744	11.138.040.459
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18.294.959.857	17.419.840.364

About TAB Gıda

TAB Gıda's activities in the quick service restaurant sector started in 1995 when it acquired the master franchise rights of Burger King® and brought it to Türkiye.

Never compromising on the principles of quality and health in the quick service restaurant sector, TAB Gıda introduced Sbarro®, which offers the most delicious slice of life, to the Turkish public in 2007.

Launched in 2007 under TAB Gıda, Popeyes® is Türkiye's largest chicken restaurant chain in terms of number of restaurants. Combining unique flavor formulas developed by renowned chefs from Louisiana and the traditional flavors of New Orleans with authentic tastes, Popeyes® offers hearty and delicious options.

Arby's®, which distinguishes itself from its peers with its unique products, has been serving in Türkiye with the assurance of TAB Gıda since 2010.

In 2013, TAB Gıda created the Usta Dönerci® brand, to which it transferred its quarter-century of experience in the sector. After Usta Dönerci®, Usta Pideci® is the second brand created by TAB Gıda in 2019. Usta Pideci®, which offers delicious pita varieties prepared with carefully selected ingredients, charcuterie, and veal from reliable sources and loyal to classical methods, invites pita lovers to taste the flavors of Türkiye with the slogan "Pita is eaten from the master!".

Subway®, which TAB Gıda added to its global brands in 2022, is one of the world's largest quick service restaurant brands.

Special Note Regarding Forward-Looking Statements

This document includes forward-looking statements including, but not limited to, statements regarding TAB Gıda Sanayi ve Ticaret A.Ş.'s ("TAB Gıda") plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements can generally be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "target," "believe" or other words of similar meaning. These forward-looking statements reflect the current views and assumptions of management and are inherently subject to significant business, economic and other risks and uncertainties. Although management believes the expectations reflected in the forward-looking statements are reasonable, at this time, you should not place undue reliance on such forward-looking statements. These forward-looking statements include statements about TAB Gıda's expectations and beliefs regarding: (1) the sales, revenue and restaurant growth and expansion opportunities for TAB Gıda's brands and the drivers and pace of such growth, (2) TAB Gıda's restaurant pipeline and its long-term restaurant growth goal, (3) TAB Gıda's approach and goals concerning digital and technology initiatives, (4) TAB Gıda's business strategies, strategic initiatives and growth prospects, (5) capital allocation, (6) TAB Gıda's ability to create value for its shareholders, (7) competition in its markets and its relative position, and (8) sources of revenue and the drivers of TAB Gıda's financial and operational performance.

Should any of these risks and uncertainties materialize, or should any of management's underlying assumptions prove to be incorrect, TAB Gıda's actual results from operations or financial conditions could differ materially from those described herein as anticipated, believed, estimated or expected. Forward-looking statements speak only as of this date and TAB Gıda has no obligation to update those statements to reflect changes that may occur after that date.

