



ATAKEY

Q3 2024 and 9M 2024 Financial Bulletin

Q3 2024 and 9M 2024 Financial and Operational Highlights

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

Million ₺	3Q24	3Q23	YoY %	9M24	9M23	YoY %
Revenues	658	1,037	-37%	2,520	2,613	-4%
Gross Profit	91	349	-74%	379	702	-46%
Operational Profit *	157	414	-62%	495	676	-27%
EBITDA	121	331	-63%	411	678	-39%
EBITDA margin %	18%	32%	-14pp	16%	26%	-10pp
Net profit	(39)	153	-125%	9	164	-95%

*Operational profit is the profit generated from core business operations and investments, before accounting for financial expenses.

Key highlights in 9M 2024

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

- About 5% increase in sales on 9 Months of 2024, revenues slightly decreased by 4% yoy to 2,520 million TL. (Before IAS 29 accounting, revenues grew by 52% yoy from 1,439 million TL to 2,193 million TL.)
- Gross profit stood at 379 million TL in 9M24 compared to 702 million TL in 9M23. (Before IAS 29 accounting, on the contrary gross profit increased from 539 million TL to 720 million TL with a 33% rise.)
- Operational profit before financial expenses came in 495 million TL by 27% yoy decrease. (Before IAS 29 accounting, operational profit surged by 58% yoy to 846 million TL.)
- EBITDA declined by 39% yoy to 411 million TL with an EBITDA margin of 16%. (Before IAS 29 accounting, EBITDA grew by 30% yoy to 682 million TL with an EBITDA margin of 31%.)
- In 9M24, net profit was recorded at 9 million TL. (Before IAS 29 accounting, net profit increased by 154% annually from 300 million TL to 760 million TL.)

Key highlights in Q3 2024

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

- In the third quarter of 2024, 16 K tonnes of frozen fried potatoes made a Revenue of 658 million TL by a 37% decrease. (Before IAS 29 accounting, revenues decreased by 5% yoy to 631 million TL.)
- Gross profit stood at 91 million TL in 3Q24 compared to 349 million TL in 3Q23. (Before IAS 29 accounting, gross profit decreased from 249 million TL to 201 million TL with a 19% decline.)
- Operational profit before financial expenses came in 157 million TL by 62% yoy decrease. (Before IAS 29 accounting, operational profit made a decrease of 9% yoy to reaching at 264 million TL.)
- EBITDA stood at 121 million TL with a decrease of 63% and EBITDA margin became 18%. (Before IAS 29 accounting, EBITDA reached 195 million TL and an annual decrease became 18%, plus EBITDA margin was 31%.)
- In 3Q24 net loss 39 million TL was recorded. (Before IAS 29 accounting, net profit of 198 million TL was reached by 6%)

Comments of Ahmet ÖZGÜL, Chairman of Executive Board at Atakey

Reflecting on our Q3 performance, we are pleased to note that our operational activities have progressed well, driving sustainable growth in both production and sales during the period.

Harvest season will finish by 127K tonnes of raw potatoes, ensuring strong stock levels to support our future production plans. We have also initiated the harvest of onions for our new production line. We anticipate approximately 3K tonnes of onions by year-end, further diversifying our product offerings and enhancing our production capabilities.

Over the past nine months, our production levels increased from 38K tonnes in 2023 to 50K tonnes in 2024, reflecting a 30% growth. On the sales front, we see a steady performance throughout the first three quarters, with a total of 47K tonnes sold—a 5% increase compared to the same period last year. This consistent performance underscores our ability to maintain a strong market presence. In response to economic challenges and headwinds, we are proactively seeking to create new sales opportunities and diversifying our sales strategies by enhancing our channel structure. As a result of our efforts, our third-party retail sales have seen a remarkable increase of 39% year-over-year, reaching 12K tonnes over the past nine months. Meanwhile, our export and Tab Gıda sales have remained stable in first 9 months of 2024 compared same period last year. Additionally, we are pleased to inform the completion of our investments in new products. Our efforts regarding the new production lines for onion rings and cheese sticks are set to begin production in November 2024.

Atakey continues to play a vital role in meeting one-fifth of Turkey's potato demand. This achievement underscores our capability of producing high-quality products and expanding our product range effectively. However, like all players across industries, we have encountered some macroeconomic challenges and headwinds during this period. Despite our diligent efforts to mitigate these effects operationally, our financial results were adversely impacted. We particularly observed the effects of inflation accounting adjustments. These adjustments primarily arise from the revaluation of non-monetary effects and we believe that they do not fully capture the strength of our underlying performance.

Despite these challenges, we remain committed to maintaining our strong market position and executing our business operations efficiently. As we look ahead, we are optimistic about our potential for profitable and sustainable growth.

I would like to express my sincere gratitude to our dedicated employees, investors and all stakeholders for their support. Together, we will navigate these challenges and continue our journey towards success.

BUSINESS HIGHLIGHTS

Harvesting & Production

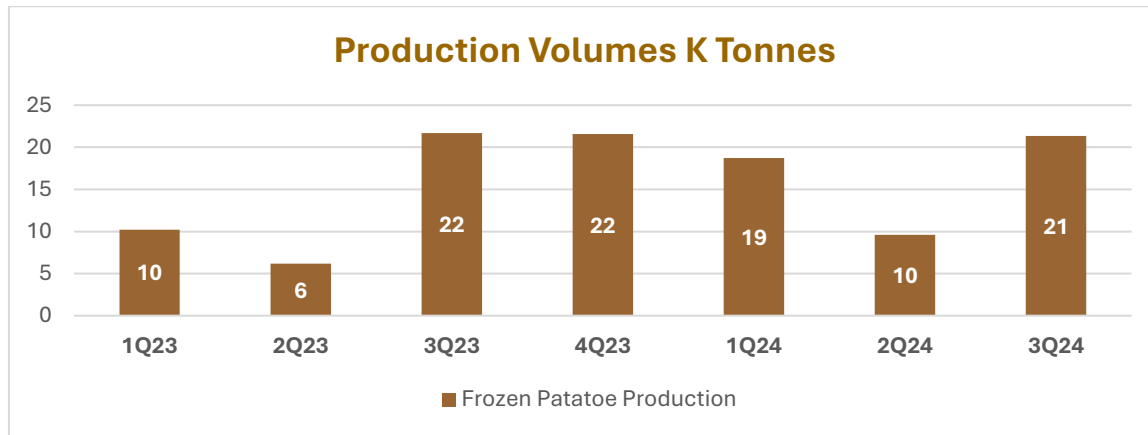
As of the end of harvest season 127,000 tonnes of raw potatoes will be cultivated. This strong yield ensures that we have sufficient stock to support our future production plans, providing stability and predictability in our supply chain.

In addition to our core potato harvesting, we have also initiated the harvest of onions for our new production line. By the end of this year, we expect to have approximately 3,000 tonnes of

onions, which will further diversify our product offerings and strengthen our production capabilities. Production levels have seen a boost over the past nine months, increasing from 38 thousand tonnes in 2023 to 50 thousand tonnes in 2024, reflecting a solid 30% growth.

We will remain on track to reach 70,000 tonnes by maintaining the production volumes achieved in Q3, during the last quarter of this year.

Production Volume



Sales & Channel Performance

Our sales remained steady throughout the first three quarters, resulting in a total of 47 thousand tonnes sold during the nine-month period—a 5% increase compared to the 45 thousand tonnes sold in the same period last year, representing 2 thousand tonnes more. This consistent performance reflects our ability to maintain a strong market presence.

Looking ahead to YE 2024, we expect total year-end sales to around 60,000 tonnes, aligning with last year’s levels.

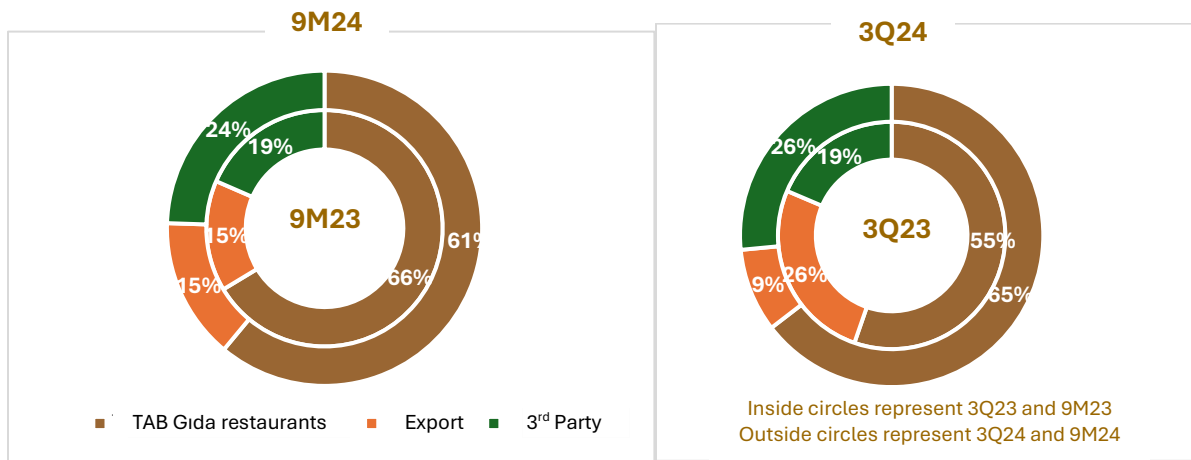
Thanks to our diversified channel structure, our third-party sales increased by 39% year-over-year, reaching 12 thousand tonnes over the past nine months. 3rd party share in total sales also rose by 6 percentage points to 24% in the same period. Our export and Tab Gıda sales have remained stable in 9 months comparison despite macroeconomic headwinds.

In comparing quarterly results, Tab Gıda represented 65% of our sales in Q3 2024, an increase from 55% last year. Third-party sales also continued to rise, reaching 26% of total sales in the same quarter. Although exports to China declined in Q3, this is largely due to the substantial volume exported during the same period last year. Overall, export levels for the nine-month period remained consistent, with a slight improvement compared to last year.

Total Sales and Sales Channel Distributions

K Tonnes	3Q24	3Q23	YoY %	9M24	9M23	YoY %
Tab Gıda	9.6	10.8	-11%	28.9	29.9	-3%
Exports	1.3	5.1	-74%	6.9	6.8	0%
3rd Party	3.9	3.6	9%	11.6	8.3	39%
Total Sales Volume	14.9	19.4	-24%	47.3	45.1	5%

Sales Channel Distribution_9M and 3rd Quarter



New Production Line and Sustainability

The new production lines for onion rings and cheese sticks are progressing well and production is set to begin in November 2024. Depending on demand, the capacity to produce and sell up to 800 tonnes per month in 2025.

As per sustainability initiatives, in the process of implementing co-generation capabilities, which will enable Atakey to generate electricity from natural gas. This planned initiative is designed to enhance efficiency and ensure operational continuity. By producing own power, Atakey can mitigate disruptions caused by power outages and equipment damage, significantly reducing material waste in the process.

In addition to co-generation, actively working on projects aimed at reducing our carbon footprint, enhancing energy efficiency, and preserving resources. These impactful initiatives are integral to our commitment to sustainability and are carried out systematically to ensure we meet our goals.

Key Financial Figures

Summary of Income Statement

Million TL	9M24	9M23	YoY %
Revenue	2,520	2,613	-4%
Cost of sales (-)	(2,141)	(1,911)	12%
Gross Profit	379	702	-46%
General and administrative expenses (-)	(100)	(80)	26%
Other income from main activities	66	69	-4%
Other expenses from main activities	(85)	(123)	-31%
Main operating profit	260	569	-54%
Income from investing activities	244	114	114%
Expenses from investing activities	(10)	(7)	34%
Operating profit before financial expenses	495	676	-27%
Financial income	-	0.7	-100%
Financial expenses	(160)	(364)	-56%
Monetary loss/gain	(191)	188	-202%
Profit before tax	143	500	-71%
Tax expense	(26)	(117)	-78%
Deferred tax income/expense	(108)	(219)	-51%
Net profit for the period	9	164	-95%

Summary Balance Sheet

Million TL	9M24	FY23	YoD %
ASSETS			
Cash and cash equivalents	737	1,190	-38%
Trade receivables	309	266	16%
Other receivables	1.6	2.2	-26%
Inventory	1,298	1,424	-9%
Prepaid expenses	6	7	-17%
Other current assets	170	167	2%
Total Current Assets	2,521	3,056	-17%
Other receivables	1.6	2.0	-19%
Tangible fixed assets	2,326	2,160	8%
Intangible assets	2.3	1.4	64%
Right of use assets	10	9	19%
Prepaid expenses	109	-	0%
Derivative instruments	6	5	30%
Deferred tax assets	186	322	-42%
Total Non-Current Assets	2,641	2,499	6%
TOTAL ASSETS	5,163	5,555	-7%
LIABILITIES			
Short-term borrowings	-	505	-100%
Current portion of long-term financial borrowings	229	234	-2%
Payables from short-term rental transactions	5	3	54%
Trade payables	444	492	-10%
Other payables	127	-	0%
Employee benefits	6	6	1%
Short-term provisions	9	6	35%
Period profit tax liability	6	15	-62%
Other short-term liabilities	9	3	162%
Total Short -Term Liabilities	834	1,265	-34%
Long-term borrowings	187	116	62%
Payables from long-term lease transactions	3	2	56%
Long-term provisions for employee benefits	10	7	42%
Total Long-Term Liabilities	201	125	61%
EQUITY			
Share capital and adjustments to share capital	937	937	0%
Share premium	1,217	1,217	0%
Other comprehensive income and expenses not to be reclassified under profit or losses	716	715	0.1%
Other comprehensive income and expenses to be reclassified under profit or losses	(77)	(163)	-53%
Restricted reserves separated from profit	175	-	0%
Retained earnings	1,151	1,057	9%
Net profit for the period	9	402	-98%
Total Equity	4,128	4,165	-1%
TOTAL LIABILITIES AND EQUITY	5,163	5,555	-7%