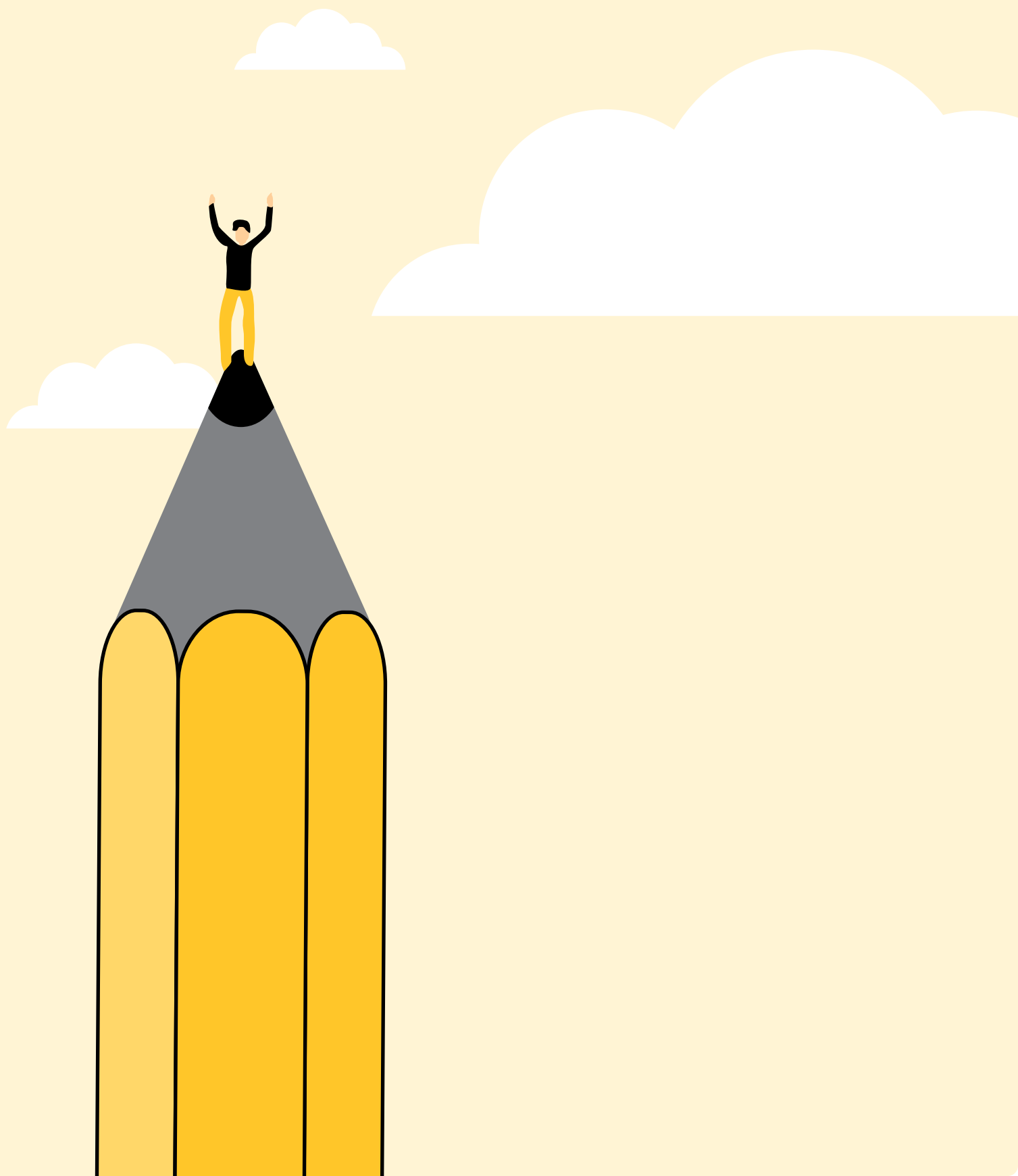




2023
EARNINGS RELEASE



Financial Performance

Disclaimer

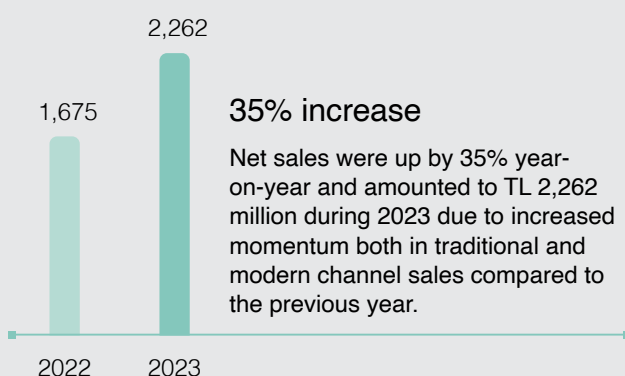
In Bulletin 2023/81 dated 28 December 2023, the Turkish Capital Markets Board (SPK) announced that all companies that issue securities as well as the financial institutions subject to its oversight must adhere to inflation-accounting procedures as set forth in TMS 29 ("Financial Reporting in Hyperinflationary Economies"). This mandate applies to all financial reporting for periods ending on or after 31 December 2023. For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TMS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 31 December 2023.

Our company's financial statements are subject to Turkish Accounting & Financial Reporting Standards. As required by the 28 December 2023 SPK mandate, this interim report of our company's 2023 financial results has therefore been prepared in compliance with the requirements of TMS 29. All restated amounts presented are based on the company's independently-audited financials. However we are also presenting the unadjusted values of some items along with their TMS 29-restated ones. We have done this (1) to supplement the information presented in the year's first three quarterly reports (to which TMS 29 did not apply) and (2) to give a clearer picture of our company's performance in line with its previous 2023 projections. This supplementary information, which is presented on page 7-8 under the heading "Non-restated financials", is clearly identified as such and has not been independently audited.

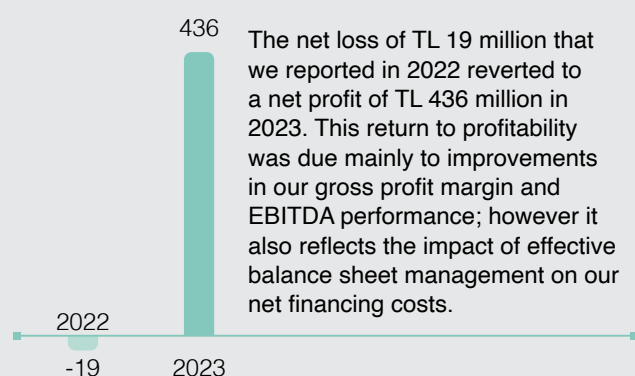
(TL thousand)	2022	2023	%
Net Sales	1,675	2,262	35%
Gross Profit	422	1,056	150%
EBITDA	127	508	300%
Net Profit/(Loss)	-19	436	n.m.
Net Working Capital	503	534	6%
Net Financial Debt	395	187	-53%
Free Cash Flow	-112	107	n.m.
Gross Profit Margin	25%	47%	
EBITDA Margin	8%	22%	
Net Profit Margin	-1%	19%	

• All figures and tables in this report include IFRS16 impact.

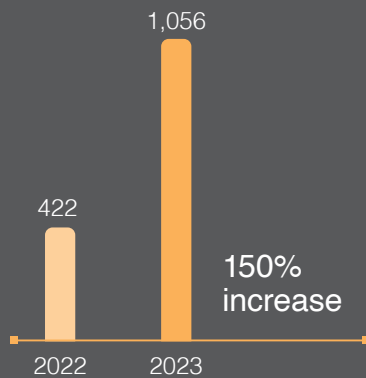
Net Sales (TL million)



Net Profit (TL million)



Gross Profit (TL million)

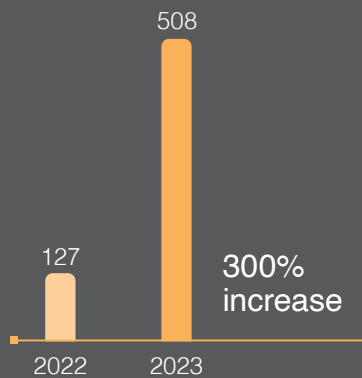


Gross Profit Margin, %

25%

47%

EBITDA (TL million)



EBITDA Margin, %

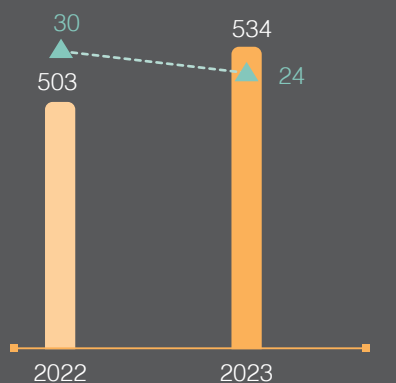
8%

22%

As of the end of 2023, our gross profit increased 2.5-fold compared to the previous year to TL 1,056 million. This is attributable to (1) effective cost management and (2) an effective pricing policy. Our gross profit margin also increased by 2,200 basis points to 47% compared to the previous year.

Similarly, EBITDA increased approximately 4-fold compared to the previous year to TL 508 million while EBITDA margin increased by 1,400 basis points to 22%.

Net Working Capital (TL million)

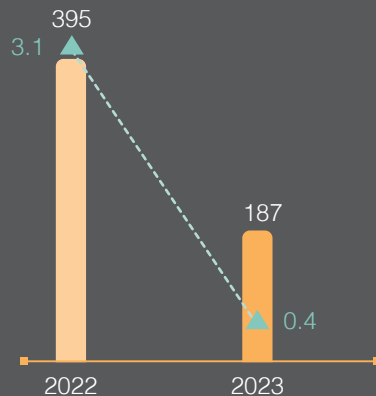


Net Working Capital (TL million)
Net Working Capital/Net Sales (%)

Our net working capital requirement was TL 534 million as of end-2023. This corresponds to a year-on-year increase of 6%.

The Net Working Capital Requirement / Net Sales ratio, which was 30% as of the end of December 2022, declined to 24% as of the end of December 2023.

Net Financial Debt (TL million)

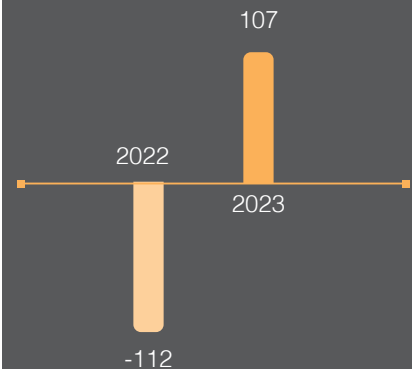


Net Financial Debt (TL million)
Net Financial Debt/EBITDA

As of the end of 2023, the company's net debt was TL 187 million, a decrease of 53% from the previous year. Excluding interest accruals, the actual decrease was 82%. When the impact of IFRS 16 on leased assets is allowed for, our net financial debt at end-2023 was TL 77 million, or 78% less than what it was at end-2022.

The company's 2023 year-end net debt to EBITDA ratio fell from 3.1 in 2022 to 0.4 in 2023. This was due to continued improvements in profitability and to effective balance sheet management.

Free Cash Flow (TL million)



Our free cash flow in 2023 was TL +107 million, an improvement of TL 219 million compared to the previous year. This improvement is attributable to (1) more effective balance sheet management and (2) increased profitability.

Risks

Financial risks: Due to the significant amount of working capital need during the first nine months of a year, the company's financial statements are vulnerable to changes in interest rates that reflect geopolitical risks as well as movements in the country's macroeconomic indicators. The company has a policy of keeping its borrowing rates below market rates and it takes precautions and actions to ensure this in a forward-thinking manner. Despite higher interest rates and changes in regulations governing credit use, bank loans contracted in the last quarter of 2022 and alternative financing instruments such as corporate bonds issued in 2023 kept the company's effective borrowing rate below the market rate. . Due to ongoing uncertainties surrounding the course of interest

rates in 2024, financial planning is focusing on accelerating receivables by offering prepayment discounts and diversifying sources of funding by having recourse to alternative financing options.

Currency risk: Our company is exposed to currency risk because its FX-denominated liabilities are greater than its FX-denominated assets. We use derivatives to mitigate and manage this risk. The company's risk management policy requires it to hedge at least 50% of its currency risk exposure. As of 31 December 2023, the company had no currency risk exposure. . 90% of the company's 2024 currency risk exposure is already hedged against.

Credit risk: The company requires its dealers to write it postdated checks or to agree to direct-debit system (DDS) or credit-card charges against any orders they place during campaigns, fairs etc. When the goods are shipped, most of these checks are also transferred to DDS or replaced with checks that dealers receive from their own customers. Remaining dealership credit risk exposure is covered by means of such instruments as letters of guarantee etc. Owing to its practice of doing business in this way, the company is not exposed to credit risk, which is mostly DDS-covered in any case.

Summary Balance Sheet

(TL thousand)	31.12.2022	31.12.2023
Cash and equivalents	481,745	794,006
Short-term financial investments	-	131,193
Trade receivables	92,978	118,454
Inventories	493,060	615,600
Other current assets	88,653	169,071
Current Assets	1,156,436	1,828,324
Financial investments	63	776
Other receivables	-	383
Tangible assets	625,391	557,195
Intangible assets	46,682	78,997
Other non-current assets	77,544	165,513
Non-Current Assets	749,680	802,864
Total Assets	1,906,116	2,631,188
Short term borrowings	802,263	779,901
Short term portion of long term borrowings	28,339	261,521
Trade payables	95,263	139,633
Other current liabilities	76,019	229,514
Current Liabilities	1,001,884	1,410,569
Long term borrowings	46,565	71,276
Long term provisions	62,512	38,511
Deferred Tax Liabilities	102,471	-
Non-Current Liabilities	211,548	109,787
Equity	692,684	1,110,832
Total Liabilities & Equity	1,906,116	2,631,188

Summary Income Statement

(TL thousand)	1 January- 31 December 2022	1 January- 31 December 2023
Revenues	1,675,122	2,261,755
Cost of sales (-)	(1,253,242)	(1,205,803)
Gross Profit	421,880	1,055,952
Operating expenses (-)	(438,059)	(695,298)
Other Operating Income /Expense (net)	9,015	24,859
Operating Income	(7,164)	385,513
Income /(expense) from investment operations	699	4,373
Financial income/(expense)	(197,779)	(108,656)
Monetary gains / (losses)	192,293	161,690
Income/(Loss) Before Tax from Continuing Operations	(11,951)	441,799
Tax income/(expense)	(7,476)	(5,833)
Net Income/(Loss)	(19,427)	435,966
EBITDA	126,922	507,891

Profitability Ratios	1 January- 31 December 2022	1 January- 31 December 2023
Gross Profit Margin	25%	47%
Operating Profit Margin	0%	17%
Net Profit Margin	-1%	19%
EBITDA Margin	8%	22%
Market Capitalization as of December 31st (TL thousand)	2,657,813	7,926,188

Additional Information

SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TMS29

(TL million)	2022	2023	%
Net Sales	886	1.749	%97
Gross Profit	351	997	%184
EBITDA	183	538	%194
Net Profit/(Loss)	37	293	%682
Net Working Capital	246	377	%53
Net Financial Debt	240	187	-%22
Free Cash Flow	15	212	%1291
Gross Profit Margin	%40	%57	
EBITDA Margin	%21	%31	
Net Profit Margin	%4	%17	

* All figures and tables in this report include IFRS16 impact.

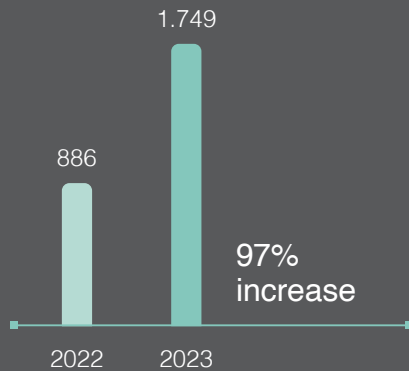
COMPARISON OF 2023 EXPECTATION AND REALIZATION (NON-COMPLIANT WITH TMS29)

(TL thousand)	Expectation	Realization
Net Sales	Growth in the 90% range	97%
Gross Profit Margin	50%-55%	57%
EBITDA	25%-30%	31%
Net Financial Debt/EBITDA	<1	0.3
Free Cash Flow	>0	TL 212 million

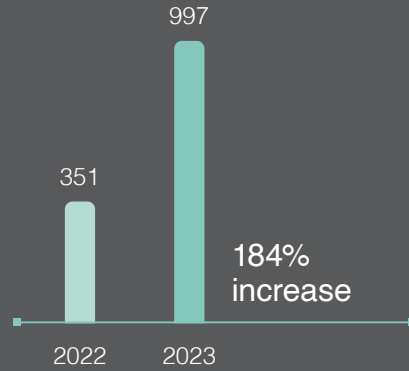
Additional Information

SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TMS29

Net Sales (TL million)



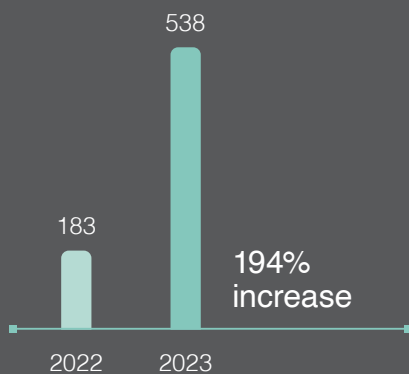
Gross Profit (TL million)



Gross Profit Margin, %

40% → 57%

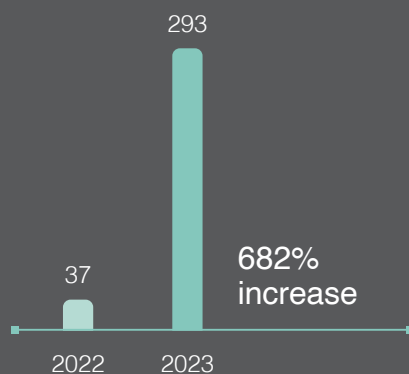
EBITDA (TL million)



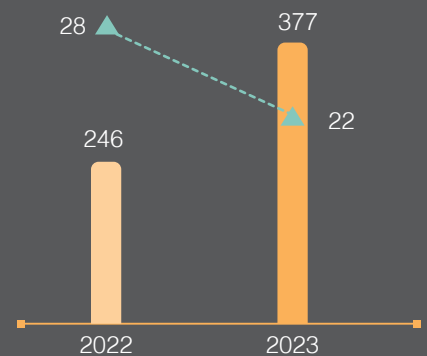
EBITDA Margin, %

21% → 31%

Net Profit/Loss (TL million)



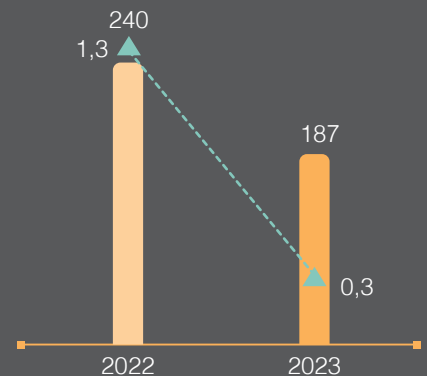
Net Working Capital (TL million)



Net Working Capital/Net Sales (%)

28 → 22

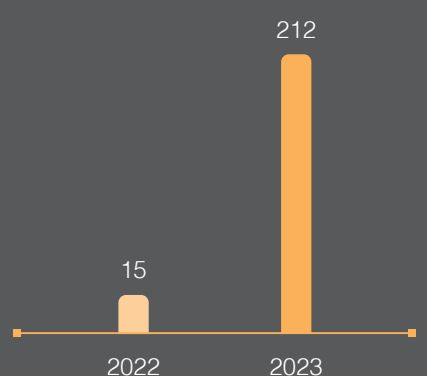
Net Financial Debt (TL million)



Net Financial Debt/EBITDA

1,3 → 0,3

Free Cash Flow (TL million)



Forward-Looking Statements Disclaimer

This document contains forward-looking statements concerning future performance and should be regarded as the company's good faith assumptions about the future. Such forward-looking statements reflect management's expectations based on currently available information at the time they are made. Adel Kalemcilik's actual results are subject to future events and uncertainties that may significantly affect the company's performance.

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