

YE 2023 Financial and Operational Highlights

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

(Million TL)	FY 2022	FY 2023	YoY change
Number of tickets	183.140	203.718	11%
Net sales	16.612	19.988	20%
Gross profit	1.630	3.395	108%
Gross margin	9,8%	17,0%	7,2 pp
Adj. EBITDA ¹	2.361	4.321	83%
Adj. EBITDA margin	14,2%	21,6%	7,4 pp
Profit before tax	1.975	2.709	37%
Net income	1.853	2.458	33%

Key highlights in FY 2023

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

- Net sales increased by 20% YoY to 19,988 million TL. *(Without applying IAS 29, net sales grew by 96% YoY to TL 16,887 million.)*
- Gross profit increased by 108% YoY to 3,395 million TL. Gross margin improved by 7.2pp to 17.0%. *(Without applying IAS 29, gross profit grew by 206% YoY to TL 3,622 million.)*
- Adjusted EBITDA increased by 83% YoY to 4,321 million TL. Adjusted EBITDA margin increased by 7.4pp to 21.6%. *(Without applying IAS 29, adj. EBITDA grew by 182% YoY to TL 3,606 million.)*
- Profit before tax increased by 37% YoY to 2,709 million TL.
- Net income increased by 33% YoY to a record-high level of 2,458 million TL. *(Without applying IAS 29, net income grew by 528% YoY to TL 2,271 million.)*
- System-wide sales (without applying IAS 29) increased by 106% YoY to 25,136 million TL.
- LFL² sales (without applying IAS 29) increased by 96% YoY.

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

As TAB Gıda, Türkiye's leading quick-service restaurant operator, we continued our rapid expansion throughout 2023, extending our presence in Türkiye, Georgia, the Turkish Republic of Northern Cyprus, and North Macedonia, reaching 1,615 restaurants by opening a total of 183 new restaurants. This growth reflects our commitment to offering attractive opportunities to our franchise investors and addressing nearly all our food service needs internally, supported by our unique ecosystem. Our growth and improved profitability have helped us lower the payback period of our restaurants. Accordingly, we are happy to see higher interest from franchise investors. Over the past two years, the share of franchise-operated restaurants in our total restaurant portfolio has increased from 28% to 43% as of 2023 year-end.

Despite the challenges faced in 2023, we are pleased to announce strong financial results. Our disciplined financial management, agility, and balanced approach in decision making were key in navigating such challenges. In 2023, our efforts allowed us to serve around 350 million customers and process nearly 204 million tickets. Our revenues reached 19,988 million TL marking a 20% growth compared to the previous year. Notably, these figures are adjusted for inflation as per IAS 29, indicating our real growth performance. Thanks to our strong cost management and focus on profitability, we also increased our Adjusted EBITDA. Our Adjusted EBITDA reached 4,321 million TL, demonstrating an 83% increase from the previous year. Riding on this robust financial performance,

¹ Adjusted EBITDA is calculated by deducting operating expenses from gross profit and adding depreciation and amortization, 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.

we have successfully raised our net income to 2,458 million TL. With these encouraging results, we are very pleased to also announce that we have exceeded our revenue and Adjusted EBITDA guidance set during the IPO process, which was provided on a non-adjusted basis for inflation. A Strong set of results in 2023 and a solid cash position give us the confidence to reach our future targets.

The introduction of self-order screens and our focus on digital transformation have enabled us significantly to enhance our operations, with the rollout of more than 600 next-generation self-order screens across our Burger King, Popeyes, and Arby's restaurants marking a milestone. These screens not only streamline the ordering process for our customers—reducing queue times and increasing satisfaction—but also help us increase average ticket through a more efficient purchasing journey.

Moreover, our capability of adapting to hourly and daily changes has empowered us to implement distinctive and competitive marketing strategies through big data analytics and AI-supported solutions, further bolstering our sales. As we move forward, our focus remains on enhancing our digital capabilities, ensuring that we can continue to meet and exceed our customers' expectations in our competitive landscape. Our marketing initiatives emphasized our dedication to growth and deeper customer connections during the year. By introducing products tailored to customer segments, we strengthened our brand relationship. Efforts to increase delivery volumes through targeted campaigns aimed at enhancing average order value and profitability. Seasonal promotions of value-added products, like coffee, responded to consumer demand, boosting revenue and experience. Co-branded campaigns efficiently extended our reach and added value to customers. These strategies highlight our proactive market leadership and commitment to strategic growth and customer satisfaction.

In reflection, 2023 was a year of strategic expansion and profound commitment to digital transformation for TAB Gıda, underscoring our position as the leader in the quick-service restaurant industry across our operating regions. Our relentless focus on innovation, customer satisfaction, and strategic marketing has not only propelled us toward our goal of sustainable and profitable growth but also set a robust foundation for meeting our objectives in 2024. As we continue to evolve and adapt to the dynamic market demands, our commitment to leveraging technology and strategic initiatives should ensure that TAB Gıda remains at the forefront of the industry, ready to meet and surpass both our and our customers' expectations.

Guidance for FY 2024

For FY 2024, our guidance remains as announced on 25 December 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

To provide comparable financial analysis of 4Q 2023, all figures are presented without IAS 29 adjustments.

Consolidated (million TL)	4Q 2022	4Q 2023	y/y change	FY 2022	FY 2023	y/y change
Number of Tickets ('000)	47.287	47.081	0%	183.140	203.718	11%
System-wide ³ Sales	3.824	6.906	81%	12.185	25.136	106%
Revenues	2.664	4.729	78%	8.620	16.887	96%
Gross Profit	408	1.020	150%	1.182	3.622	206%
Adj. EBITDA	440	1.090	148%	1.277	3.606	182%
Net Income	116	770	562%	362	2.271	528%
Gross Margin	15,3%	21,6%	6,3 pp	13,7%	21,4%	7,7 pp
Adj. EBITDA Margin	16,5%	23,1%	6,5 pp	14,8%	21,4%	6,5 pp
Net Income Margin	4,4%	16,3%	11,9 pp	4,2%	13,4%	9,3 pp

In 4Q 2023:

As the financials for 4Q 2023 are not available based on IAS 29 adjusted for inflation, the following analysis is provided for information purposes based on figures not adjusted for inflation as per IAS 29.

Our **system-wide sales** increased by 81% YoY to 6,906 million TL. Our revenues were up by 78% YoY and reached TL 4,729 million TL. Although our **number of tickets** remained relatively stable in 4Q 2023 compared to the same period of last year, our up-selling efforts and in-store efficiencies along with our capability of passing on cost increases into product prices helped us grow average tickets.

Gross profit increased by 150% YoY and reached 1,020 million TL. Gross margin materialized at 21.6%, corresponding to a 6.3 pp improvement compared to the same period last year. Despite higher personnel expenses as a percentage of revenues, strong execution on procurement as well as significant improvement in production overhead helped the company drive gross margin improvement.

TAB Gıda reported quarterly **Adjusted EBITDA** of 1,090 million TL, corresponding to 148% YoY growth. Accordingly, the Adjusted EBITDA margin was posted at 23.1% representing a 6.5 pp improvement compared to the same period last year. Massive improvement in the gross profit margin along with slight OPEX improvement helped achieve Adjusted EBITDA margin expansion. This quarter specifically, we chose to be selective in our marketing spending and lowered our marketing communications. This lowered OPEX as a percentage of revenues in 4Q 2023.

At the bottom line, TAB Gıda recorded 770 million TL **net income** in 4Q 2023, marking an impressive 562% YoY jump. It is worth noting that TAB Gıda successfully completed its IPO at the end of October securing a cash injection of 3.7 billion TL.

As of the end of 2023, total cash stands at 3.9 billion TL with a financial debt of a mere 93 million TL.

³ System-wide sales refer to the total sales of TAB-operated and Franchisee-operated restaurants.

TAB Gıda Consolidated Income Statement

(TL)	1 January - 31 December 2022	1 January - 31 December 2023	Change (%)
Revenue	16,612,128,527	19,988,027,295	20%
Cost of revenue	(14,982,437,476)	(16,593,249,719)	11%
Gross profit	1,629,691,051	3,394,777,576	108%
General administrative expenses	(463,125,362)	(566,125,769)	22%
Marketing, selling and distribution expenses	(903,673,048)	(1,038,611,099)	15%
Other income	563,798,427	309,663,461	-45%
Other expense	(231,259,816)	(399,866,641)	73%
Operating income / loss	595,431,252	1,699,837,528	185%
Income related to investing activities	35,073,591	471,913,382	1245%
Expense related to investing activities	(122,419,600)	(66,025,583)	-46%
Operating profit before financial income	508,085,243	2,105,725,327	314%
Financial income	427,645,937	309,154,969	-28%
Financial expenses	(943,941,694)	(986,012,703)	4%
Monetary gain / (loss)	1,983,323,407	1,279,853,905	-35%
Profit before tax	1,975,112,893	2,708,721,498	37%
Tax expenses	(84,625,283)	(292,908,808)	246%
Deferred tax income / (expense)	(37,012,211)	41,975,939	-213%
Profit for the period	1,853,475,399	2,457,788,629	33%

Adjusted EBITDA calculation (TL)	1 January - 31 December 2022	1 January - 31 December 2023	Change (%)
Gross profit	1,629,691,051	3,394,777,576	108%
- Operating expenses	(1,366,798,410)	(1,604,736,868)	17%
+ Waste oil income	64,966,497	47,974,103	-26%
+ Salary protocol revenues	9,576,261	5,811,793	-39%
+ Insurance income related to profit losses	-	34,038,734	n.a.
+ Depreciation and amortization	907,757,641	983,347,161	8%
+ Depreciation related to lease obligations	1,115,422,832	1,459,962,801	31%
Adjusted EBITDA	2,360,615,872	4,321,175,300	83%

TAB Gıda Consolidated Balance Sheet

(TL)	as of 31 December 2023	as of 31 December 2022
Current Assets		
Cash and cash equivalents	3,945,073,357	279,811,406
Trade receivables	649,884,804	562,784,304
- Trade receivables from related parties	264,961,260	203,143,252
- Trade receivables from third parties	384,923,544	359,641,052
Other receivables	2,856,191	4,915,670
- Other receivables from related parties	-	-
- Other receivables from third parties	2,856,191	4,915,670
Inventories	282,072,362	242,721,635
Prepayments	834,386,604	255,346,697
Other current assets	18,746,792	32,483,959
Total current assets	5,733,020,110	1,378,063,671
Non-Current Assets		
Trade receivables	-	1,212,964
Other receivables	26,818,154	1,137,935,134
- Other receivables from related parties	-	1,109,931,510
- Other receivables from third parties	26,818,154	28,003,624
Property, plant and equipment	5,226,561,840	4,572,070,486
Intangible assets	584,540,349	542,835,362
Right of use assets	3,528,547,549	3,579,539,453
Prepayments	33,832,789	44,766,937
Other non-current assets	5,990,709	7,581,906
Total non-current assets	9,406,291,390	9,885,942,242
TOTAL ASSETS	15,139,311,500	11,264,005,913

Short-Term Liabilities

Short term financial liabilities	56,703,612	1,014,686,741
Current portion of long-term financial liabilities	36,077,552	435,740,187
Short term lease liabilities	694,146,283	844,684,396
Trade payables	1,497,471,959	1,637,476,197
- Trade payables to related parties	1,144,649,354	1,160,555,562
- Trade payables to third parties	352,822,605	476,920,635
Other payables	811,557	890,060
- Other payables to third parties	811,557	890,060
Employee benefit obligations	319,552,692	297,259,696
Current provisions	126,621,796	99,393,879
- Current provisions for employee benefits	101,503,888	81,443,731
- Other current provisions	25,117,908	17,950,148
Deferred revenues	172,353,411	145,605,004
Current tax liabilities	149,360,707	51,418,539
Other current liabilities	75,226,028	55,596,931
Total current liabilities	3,128,325,597	4,582,751,630

Long-Term Liabilities

Long term financial liabilities	-	773,872,101
Long term lease liabilities	1,342,758,775	1,621,731,481
Long term trade payables	140,212,758	160,528,393
- Long term trade payables to unrelated parties	140,212,758	160,528,393
Non-current portion of employee benefit obligations	100,256,880	91,417,210
Non-current portion of unearned revenues	565,040,598	522,259,827
Deferred tax liabilities	182,819,689	236,202,651
Other Non-current liabilities	-	39,356,102
Total non-current liabilities	2,331,088,700	3,445,367,765

Shareholders' Equity

Share capital	261,292,000	232,417,000
Share capital adjustment differences	1,737,891,874	1,737,046,643
Share premium	3,680,151,353	-
Other comprehensive income items to be reclassified to profit or loss		
Currency translation adjustment	12,306,878	(3,896,600)
Other comprehensive income items not to be reclassified to profit or loss		
Gains on remeasurements of defined benefit plans	3,714,140	6,128,635
Revaluation of property, plant and equipment	500,997,092	238,435,603
Share-based employee benefits	-	-
Profit for the year	2,457,788,629	1,853,475,399
Retained Earnings / (Accumulated Losses)	1,025,755,237	(827,720,162)
SHAREHOLDERS' EQUITY	9,679,897,203	3,235,886,518
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,139,311,500	11,264,005,913

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.