



**TAB Gıda Sanayi ve Ticaret Anonim
Şirketi**

**REPORT ON THE UTILISATION OF
THE FUNDS OBTAINED FROM THE
PUBLIC OFFERING**

29.03.2023

This report has been prepared in accordance with Article 33 of the Equity Communiqué No. VII-128.1 of the Capital Markets Law.

1- SUBJECT OF REPORT

This report has been prepared in accordance with Article 33 of the Capital Markets Board's Communiqué on Shares numbered VII.128-1 ("Communiqué") and includes assessments and determinations on whether the funds obtained from the capital increase have been utilized as specified.

Paragraph 1 of Article 33 of the Capital Markets Board's Communiqué on Shares No. VII-128.1 stipulates that: *"In the public offering of the shares of non-publicly traded corporations through capital increase and in capital increases through rights issues to be made by publicly traded corporations whose shares are traded on the stock exchange, it is obligatory to prepare a report on the purposes for which the funds to be obtained from the capital increase will be used, and this report must be resolved by the board of directors and sent and disclosed to the public during the application to be made to the Board for the approval of the prospectus or issue document. Regarding whether the funds obtained from the capital increase are used as specified, publicly held corporations are required to prepare a report within ten business days following the announcement of the first two financial statements containing the results of the capital increase, which are publicly disclosed after the commencement of trading of their shares on the stock exchange, and publicly held corporations whose shares are traded on the stock exchange are required to publish the said report on the website of the corporation and on PDP. This obligation is fulfilled by the audit committee within the corporation. For the companies which are not obliged to establish an audit committee, this obligation is fulfilled by the board of directors."* This report has been prepared and disclosed to the public in accordance with the provisions of the Communiqué.

2- FINANCIAL STATEMENTS FORMING THE BASIS OF THE REPORT

The financial information forming the basis of the report is the Company's financial statements for the period 01.01.2023 - 31.12.2023. The financial statements were published on the Public Disclosure Platform ("PDP") on 18.03.2024.

3- PUBLIC OFFERING PROSPECTUS AND FUND UTILISATION REPORT UNDERLYING THE REPORT

The offering prospectus and price determination report regarding the public offering of shares with a total nominal value of TL 52,500,000, including shares with a nominal value of TL 28,875,000 issued due to the increase of the Company's issued capital from TL 232,417,000 to TL 261,292,000 and shares with a nominal value of TL 23,625,000 belonging to the existing shareholder TFI TAB Gıda Yatırımları A.Ş., were published on the Public Disclosure Platform on 13.10.2023. The public offering book building process was carried out on 18-19-20 October 2023 at a sales price of TL 130.00 per share. The Company shares offered to the public commenced trading on Borsa Istanbul as of 26 October 2023.

With the decision numbered 2023/204 taken by the Board of Directors on 21.09.2023, it is planned to use the funds to be obtained from the public offering as follows:

RATIONALE FOR CAPITAL INCREASE

With the public offering of the Company, it is aimed to obtain resources through capital increase, institutionalization, revealing the Company's value, improve awareness and recognition, implementing the principles of transparency and accountability more strongly and bolstering the Company's corporate

identity.

The Company will utilize the public offering proceeds obtained as a result of the capital increase in the following areas:

PLACE OF USE OF THE FUND TO BE OBTAINED

The utilization of IPO proceeds is presented under categories:

A. Investment Finance

Share in total funds raised: 40%

The Company plans to finance the investments to be made in order to add new restaurants to the Company's portfolio and to renovate existing restaurants. The expenditures to be made in this context consist of specialized costs such as restaurant constructions and machinery and equipment items such as the supply of kitchen equipment, furniture and other equipment.

B. Renewable Energy Investments

Share in total funds raised: 25%

Energy costs have a significant share in the Company's costs. In order to balance these costs, the Company aims to establish a Solar Power Plant project. The Company owns 238 electricity subscriptions in 18 different EDAŞ regions and the rest of the restaurants are energized through a filter meter within shopping malls. Within the scope of Article 5.1.h of the Regulation on Unlicensed Electricity Generation from the Electricity Market, the Company plans to generate the energy consumed in 238 restaurants whose subscriptions are owned by the company by establishing a land-type solar power plant to be installed at 2 or 3 different points. The annual consumption of these 238 restaurants is approximately 60 million kWh. In order to meet this consumption, approximately 20 Megawatt solar power plant is planned to be established.

C. Reducing the Level of Financial Indebtedness

Share in total funds raised: 20%

The Company has utilized short and medium term loans to meet its net working capital requirements. Accordingly, the Company plans to pay off its financial debts with approximately 20% of the IPO proceeds. The aim of reducing the level of financial indebtedness is to strengthen the financial structure of the Company by reducing the principal amount and interest burden of the Company's loan debt.

D. Digitalization and Technology Investments

Share in total funds raised: 15%

Within the scope of digitalization, the Company plans to make related technological investments to strengthen its information technology infrastructure, develop brand strategies and use sales channels effectively. These investments include keeping technology and infrastructure investments at the highest level and investments that will increase employee productivity such as automation systems

and digital screens for ordering.

4- FUNDS OBTAINED AS A RESULT OF PUBLIC OFFERING AND UTILIZATION

The funds obtained as a result of the public offering of the Company and the cost of the public offering are as follows:

	Realised (TL)
Public Offering Proceed	3,753,750,000
Public Offering Expenses	118,243,125
Net Proceed (*)	3,635,506,875

(*) Net proceed from public offering is calculated by deducting brokerage commissions from the public offering proceed. Other miscellaneous expenses amounting to TL 31,142,508 incurred during the public offering are not included in the said calculation.

Until 31 December 2023, the information regarding the use of public offering proceeds is as follows:

Place of Fund Utilization	Planned Utilization Rate (%)	Planned Utilization Amount (TL)	Realized Usage Amount (TL)	Remaining Usage Amount (TL)
Investment Finance	%40	1,454,202,750	117,732,686	1,336,470,064
Renewable Energy Investments	%25	908,876,719	0	908,876,719
Reducing the Level of Financial Indebtedness	%20	727,101,375	727,101,375	0
Digitalization and Technology Investments	%15	545,326,031	44,937,442	500,388,589
Total	%100	3,635,506,875	889,771,503	2,745,735,372

TL 117,732,686 was spent on investment financing and investment expenditures will continue to be made in the coming period in line with the Company's growth strategies.

The Company's feasibility studies on Renewable Energy Investments are ongoing as of 31.12.2023. Developments regarding the relevant investment plans are shared through the Public Disclosure Platform ("PDP").

By using the IPO proceeds, the level of financial debt as of 31.12.2023 was significantly optimized and debt repayments were realized. In the context of reducing the level of financial indebtedness that we committed in the prospectus, the 20% of the funds from the IPO allocated for this item has been fully utilized.

As of 31.12.2023, the Company spent TL 44,937,442 from the public offering proceeds for Digitalization and Technology Investments. In line with the company's growth and digitalization strategies, investments in this area will continue in the coming period.

The net proceeds from the public offering are invested in various financial instruments and as of

31.12.2023, TL 154,149,888 net income was obtained from these instruments. In the publicly announced financial statements of the Company for the period 01.01.2023 - 31.12.2023, cash and cash equivalents include the funds from the public offering that are not currently used. The Company's cash and cash equivalents are as follows:

	31.12.2023	31.12.2022
Cash and Cash Equivalents	3,945,075,357	279,811,406
Safe deposit box	43,420,993	40,006,883
Demand deposits	132,879,710	63,419,712
Time deposits	3,732,928,728	148,959,583
Other cash and cash equivalents	35,843,926	27,425,228

5- CONCLUSION

As of the date of this report, it is understood that the Company's net public offering proceeds of TL 3,635,506,875 (net of public offering expenses) have been utilized by adhering to the plan specified in the public offering prospectus.

As stated in the public offering prospectus approved by the Capital Markets Board on 12.10.2023, as of 31.12.2023, 24.5% of the net funds obtained from the issuance have been utilized, and the use of the remaining portion will continue within the framework committed by the Company management.

It has been determined that the funds obtained by the Company from the public offering and capital increase have been used in accordance with the stated purposes and that the funds not yet used are evaluated in deposit accounts and fund accounts. Future developments regarding the issue will be shared with the Company's shareholders and the public within the periods specified in Article 33 of the Capital Markets Board's Communiqué on Shares No. VII.128.1.

Sincerely,

Audit Committee Chairman

Halil Doğan BOLAK

Audit Committee Member

Ayşe Ayşin IŞIKGECE