

2Q 2024 Financial and Operational Highlights

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

(million TL)	2Q 2023	2Q 2024	YoY change	1H 2023	1H 2024	YoY change
Number of tickets ('000)	54.251	57.137	5,3%	98.564	102.108	3,6%
Revenues	7.264	7.528	3,6%	12.984	13.677	5,3%
Gross profit	1.604	1.499	-6,6%	2.244	2.295	2,3%
Gross margin	22,1%	19,9%	-2,2 p	17,3%	16,8%	-0,5 p
Adj. EBITDA ¹	1.803	1.790	-0,7%	2.691	2.807	4,3%
Adj. EBITDA margin	24,8%	23,8%	-1,0 p	20,7%	20,5%	-0,2 p

Key highlights in 2Q 2024

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

- Revenues increased by 3.6% YoY to 7.5 billion TL in 2Q 2024. (Without applying IAS 29, net sales grew by 78% YoY to TL 7.3 billion.)
- Gross profit came in at 1.5 billion TL in 2Q 2024 compared to 1.6 billion TL in 2Q 2023. (Without applying IAS 29, gross profit grew by 63% YoY to 1.7 billion TL.)
- Adjusted EBITDA remained broadly flat on a YoY basis and was recorded at 1.8 billion TL in 2Q 2024. (Without applying IAS 29, adj. EBITDA grew by 68% YoY to 1.7 billion TL.)
- System-wide sales (without applying IAS 29) increased by 76% YoY to 10.8 billion TL.
- LFL² system-wide sales (without applying IAS 29) increased by 66% YoY.

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

In the second quarter of 2024, we continued to build on our strong start to the year, achieving robust growth across key metrics despite the challenging macroeconomic environment. As we have communicated on numerous occasions, our focus and priority remain on delivering profitability and value for our shareholders; consequently, paving the way for healthy and sustainable growth, as we keep our leadership position in the sector. Our system-wide sales, which include both our own restaurants and those operated by franchisees, reached 10.8 billion TL, marking a 76% year-on-year increase. Revenues showed a similar trend, delivering a 78% growth year-on-year on an unadjusted basis, as we continue to drive sustainable growth.

According to IAS 29, our revenues reached 7.5 billion TL, reflecting a 4% real growth year-on-year. Although we faced a modest decline in EBITDA, decreasing by 0.7%, our overall performance remains strong and aligns with our strategic focus on maintaining profitability, while expanding our market presence.

Operationally, we saw a continued increase in customer engagement, with the number of tickets rising to 57.1 million, a 5.3% growth year-on-year. Our focus on enhancing delivery services yielded a 17% increase in home delivery orders, reaching 13.1 million tickets this quarter. This ongoing growth in delivery highlights our ability to adapt to shifting consumer preferences and reinforces our leadership in the convenience and online ordering space.

Our expansion strategy remained on track as we opened 61 new restaurants, bringing our total count to 1,710 in 2Q 2024. This expansion is a key driver of our market share growth, with new restaurant openings contributing significantly to our system-wide sales. The proportion of like-for-like sales, excluding IAS 29 adjustments, increased by 65% year-on-year, indicating strong underlying business

¹Adjusted EBITDA is calculated by deducting operating expenses (G&A and marketing 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.

performance. Notably, the average ticket size grew by 66%. Additionally, as new restaurant openings contributed to our system-wide sales, our ticket growth reached 5.3% quarter on quarter basis.

Technological innovation continues to play a critical role in our success. We have made significant progress in our digitalization efforts, with a total of 925 self-order screens installed in our restaurants by the end of 2Q 2024, driven by high customer acceptance and demand. Additionally, we are piloting service robots for table delivery, which are designed to enhance customer engagement, streamline operations, and improve overall efficiency. We are also exploring new ordering experiences, replacing traditional menu boards with self-order screens, allowing customers to place orders directly and pick them up at designated counters. This approach not only optimizes staffing levels and speeds up service but also modernizes the customer experience. Our Smartbox lockers are another innovation that we started testing in a few restaurants to improve operational efficiency and customer satisfaction by streamlining pick-ups and deliveries, ensuring accuracy and reducing wait times.

Looking ahead, our focus remains on sustaining profitability by capitalizing on high-margin opportunities and optimizing operational efficiency. We will continue to leverage our diverse brand portfolio to navigate changing market conditions and consumer preferences, ensuring stability and growth.

In closing, we are committed to upholding the highest standards of quality and safety, as reflected in our “Ne Yediğini Bil” (“Know What You Eat”) platform. Starting from August, we have intensified our communication around this slogan, emphasizing our commitment to transparency and quality in food preparation. We remain dedicated to delivering meals that are both delicious and safe, reinforcing the trust and satisfaction of our customers.

We would like to extend our gratitude to our stakeholders, franchisees, employees, and investors for their continued support and confidence in our vision. Together, we are well-positioned to navigate the challenges ahead and achieve our long-term goals.

Outlook for 2H 2024

For FY 2024, as per our IPO valuation report projections excluding the impact of IAS 29 inflation accounting, we project 6.4 billion TL of EBITDA, implied 21% margin and 30 billion TL of revenue, an 80% growth. As we move into the second half, we keep our focus on maintaining our profitable growth momentum, even as we navigate a slowing economy, reduced consumer purchasing power, and a slightly higher market contraction than initially anticipated.

However, the macroeconomic pressures observed early in Q3 have been more pronounced than we initially expected, potentially may lead to a limited impact on our top line. We will need to closely monitor the remainder of Q3 and the start of Q4 to fully assess these effects. Nonetheless, we believe our resilient business model and unique positioning in the sector will help us to remain relatively stable, minimizing the impact of these challenges. If these conditions persist and our measures do not yield the desired results, we may need to consider adjusting our revenue projections by around 10%. Despite this, we remain confident in our ability to sustain our projected EBITDA margin and continue our commitment of long-term, sustainable growth. Similarly, we continue to plan to add around 200 new restaurants to our network consistently expanding our reach to our customers. Historically, we have consistently outperformed the market during challenging times, thanks to our strong brands, compelling value propositions, and robust technological infrastructure, which have reinforced our leadership. We expect similar trends to emerge in the current period.

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 unaudited financial statements without the application of IAS 29.

Consolidated (million TL)	2Q 2023	2Q 2024	YoY change	1H 2023	1H 2024	YoY change
Number of tickets ('000)	54,251	57,137	5.3%	98,564	102,108	3.6%
System-wide ³ sales	6,124	10,783	76%	10,377	18,464	78%
Revenues	4,086	7,287	78%	7,079	12,640	79%
Gross profit	1,023	1,675	64%	1,474	2,562	74%
Adj. EBITDA	994	1,665	68%	1,454	2,520	73%
Profit before tax	513	1,464	185%	651	2,068	218%
Net income	535	1,389	160%	965	2,005	108%
Gross margin	25.0%	23.0%	-2.0 pp	20.8%	20.3%	-0.6 pp
Adj. EBITDA margin	24.3%	22.8%	-1.5 pp	20.5%	19.9%	-0.6 pp
Net income margin	13.1%	19.1%	6.0 pp	13.6%	15.9%	2.2 pp

In 2Q 2024:

Our **system-wide sales** increased by 76% year-on-year to 10.8 billion TL. Similarly, our **revenues** increased by 78% compared to the previous year, totaling 7.3 billion TL. The **number of tickets** grew by 5.3% year-on-year to 57.1 million. Our focus on up-selling and a shift in ticket mix towards home delivery, where the average ticket size is generally higher, combined with our ability to pass on cost increases into product prices, contributed to the growth in average ticket size, leading to strong revenue growth.

Gross profit increased by 64% YoY and reached 1.7 billion TL. Gross margin materialized at 23.0%, corresponding to a 2.0 pp decline compared to the same period last year. As may be recalled, there was a minimum wage hike in July 2023 and as management we were proactively made some price adjustments ahead of the wage hike, which put our 2Q 2023 margins to a high plateau to cycle. All in all, we find the level of gross margin in 2Q 2024 healthy and in line with our full year expectations.

TAB Gıda reported **Adjusted EBITDA** of 1.7 billion TL, corresponding to 68% YoY growth. Accordingly, the Adjusted EBITDA margin was posted at 22.8% representing a modest 1.5 pp decline compared to the same period last year. Our operating expenses were 0.3 percentage points lower in 2Q 2024 compared to the same period last year, thanks to effective cost management measures.

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

Profit before tax jumped by 185% to 1.5 billion TL. Strong operational performance along with net financial income of 293 million TL booked in 2Q 2024 versus net financial expense of 226 million TL in 2Q 2023 helped our company to post strong improvement in profit before tax.

At the bottom line, TAB Gıda recorded 1.4 billion TL **net income** in 2Q 2024, marking a 160% year-on-year increase. Our company had booked a net tax income of 23 million TL 2Q 2023 on the back of fixed asset revaluations. This compares with a net tax expense of 75 million TL booked in 2Q 2024.

On the balance sheet front, we were able to grow our total assets by 10% in real terms as of 1H 2024 versus 2023 year end. Similarly our equity grew by 7% in real terms, providing a solid foundation for our future growth and profitability.

As of the end of 2Q 2024, total cash stands at 5.0 billion TL with a financial debt of a mere 47 million TL. Our balance sheet and operations have virtually no foreign currency risk with no FX denominated debt and procurements taking place locally.

TAB Gıda Consolidated Income Statement

(TL)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	Change (%)	1 Apr - 30 Jun 2024	1 Apr - 30 Jun 2023	Change (%)
Revenue	13,676,895,028	12,984,268,011	5.3%	7,528,089,607	7,263,982,140	3.6%
Cost of revenue	(11,382,183,280)	(10,740,577,919)	6.0%	(6,029,122,138)	(5,659,679,475)	6.5%
Gross profit	2,294,711,748	2,243,690,092	2%	1,498,967,469	1,604,302,665	-7%
General administrative expenses	(493,333,727)	(477,328,777)	3%	(261,214,273)	(266,573,391)	-2%
Marketing, selling and distribution expenses	(645,299,225)	(649,446,329)	-1%	(288,793,983)	(331,329,570)	-13%
Other income	227,801,559	374,801,010	-39%	115,883,666	178,681,227	-35%
Other expense	(214,103,857)	(301,976,382)	-29%	(87,119,993)	(119,532,917)	-27%
Operating income / loss	1,169,776,498	1,189,739,614	-2%	977,722,886	1,065,548,014	-8%
Income related to investing activities	824,517,938	238,198,218	246%	404,135,958	123,110,518	228%
Expense related to investing activities	(25,423,651)	(60,469,768)	-58%	(18,371,842)	(19,419,666)	-5%
Operating profit before financial income	1,968,870,785	1,367,468,064	44%	1,363,487,002	1,169,238,866	17%
Financial income	150,496,612	116,465,922	29%	105,504,636	65,822,262	60%
Financial expenses	(384,834,731)	(803,374,232)	-52%	(194,519,088)	(562,876,311)	-65%
Monetary gain / (loss)	(457,587,063)	1,018,000,398	-145%	(355,165,193)	240,439,185	-248%
Profit before tax	1,276,945,603	1,698,560,152	-25%	919,307,357	912,624,002	1%
Tax expenses	(190,855,715)	(14,956,945)	1176%	(70,137,087)	(12,236,372)	473%
Deferred tax income / (expense)	(173,088,514)	444,951,696	-139%	(80,596,632)	(33,893,645)	138%
Profit for the period	913,001,374	2,128,554,903	-57%	768,573,638	866,493,985	-11%

Adjusted EBITDA calculation (TL)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	Change (%)	1 Apr - 30 Jun 2024	1 Apr - 30 Jun 2023	Change (%)
Gross profit	2,294,711,748	2,243,690,092	2.3%	1,498,967,469	1,604,302,665	-6.6%
- Operating expenses	(1,138,632,952)	(1,126,775,106)	1.1%	(550,008,256)	(597,902,961)	-8.0%
+ Waste oil income	23,679,792	40,957,785	-42.2%	12,116,498	18,296,952	-33.8%
+ Salary protocol revenues	10,859,437	10,983,409	-1.1%	3,344,221	4,384,774	-23.7%
+ Insurance income related to profit losses	-	29,628,422	n.m.	-	-	n.m.
+ Depreciation and amortization	675,674,370	637,968,193	5.9%	351,884,430	337,709,693	4.2%
+ Depreciation related to lease obligations	940,368,838	854,451,517	10.1%	473,484,584	436,120,687	8.6%
Adjusted EBITDA	2,806,661,233	2,690,904,312	4.3%	1,789,788,946	1,802,911,810	-0.7%

TAB Gıda Consolidated Balance Sheet

(TL)	as of 30 June 2024	as of 31 December 2023
Current Assets		
Cash and cash equivalents	4,992,427,961	4,920,871,036
Trade receivables	1,255,780,425	810,631,139
- Trade receivables from related parties	597,310,465	330,498,339
- Trade receivables from third parties	658,469,960	480,132,800
Other receivables	6,283,275	3,562,658
- Other receivables from related parties	-	-
- Other receivables from third parties	6,283,275	3,562,658
Inventories	373,077,382	351,841,801
Prepayments	1,121,730,412	1,040,768,701
Other current assets	42,625,463	23,383,734
Total current assets	7,791,924,918	7,151,059,069
Non-Current Assets		
Trade receivables		
Other receivables	28,110,070	33,451,514
- Other receivables from related parties	-	-
- Other receivables from third parties	28,110,070	33,451,514
Property, plant and equipment	7,092,926,012	6,519,330,427
Intangible assets	723,928,309	729,124,002
Right of use assets	4,996,628,672	4,401,319,281
Prepayments	44,410,554	42,201,190
Other non-current assets	8,410,842	7,472,486
Total non-current assets	12,894,414,459	11,732,898,900
TOTAL ASSETS	20,686,339,377	18,883,957,969

(TL)	as of 30 June 2024	as of 31 December 2023
Short-Term Liabilities		
Short term financial liabilities	28,737,214	70,729,017
Current portion of long-term financial liabilities	17,848,958	45,001,186
Short term lease liabilities	1,103,453,579	865,840,513
Trade payables	2,120,758,220	1,867,865,493
- Trade payables to related parties	1,511,943,461	1,323,323,278
- Trade payables to third parties	608,814,759	544,542,215
Other payables	147,282,414	1,012,292
- Other payables to related parties	146,500,000	-
- Other payables to third parties	782,414	1,012,292
Employee benefit obligations	565,556,948	398,592,737
Current provisions	183,841,309	157,941,176
- Current provisions for employee benefits	160,392,695	126,610,457
- Other current provisions	23,448,614	31,330,719
Deferred revenues	191,998,213	214,984,319
Current tax liabilities	63,920,806	186,304,464
Other current liabilities	125,380,954	93,832,877
Total current liabilities	4,548,778,615	3,902,104,074
Long-Term Liabilities		
Long term lease liabilities	1,889,943,161	1,674,884,639
Long term trade payables	136,397,630	174,893,807
- Long term trade payables to unrelated parties	136,397,630	174,893,807
Non-current portion of employee benefit obligations	142,722,913	125,055,007
Non-current portion of unearned revenues	876,291,491	704,801,067
Deferred tax liabilities	167,511,202	228,039,388
Total non-current liabilities	3,212,866,397	2,907,673,908
Shareholders' Equity		
Share capital	261,292,000	261,292,000
Share capital adjustment differences	2,232,381,788	2,232,381,788
Share premium	4,590,421,663	4,590,421,663
Income reserves	169,587,459	-
Currency translation adjustment	99,509,984	15,350,934
Losses on remeasurements of defined benefit plans	4,486,771	4,632,817
Revaluation of property, plant and equipment	624,916,663	624,916,663
Profit for the year	913,001,374	3,065,712,544
Accumulated losses	4,029,096,663	1,279,471,578
Share capital	261,292,000	261,292,000
SHAREHOLDERS' EQUITY	12,924,694,365	12,074,179,987
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	20,686,339,377	18,883,957,969

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.