

1Q 2024 Financial and Operational Highlights

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

	IAS 29 Inflation Accounting			Without IAS 29 Figures for historical comparison		
	2024 Q1	2023 Q1	YoY Growth %	2024 Q1	2023 Q1	YoY Growth %
Revenue	840 M TL	634 M TL	▲ 32%	792 M TL	352 M TL	▲ 125% YoY
Operational Profit	173 M TL	84 M TL	▲ 107%	309 M TL	103 M TL	▲ 199% YoY
Operational Profit %	21%	13%	▲ 8pp	39%	29%	▲ 10pp YoY
EBITDA	134 M TL	126 M TL	▲ 6%	252 M TL	124 M TL	▲ 103% YoY
EBITDA %	16%	20%	▼ 4pp	32%	35%	▼ 3pp YoY
Net Profit	5 M TL	-24 M TL	▲ +29 M TL	294 M TL	42 M TL	▲ 593% YoY
Net Profit %	1%	-4%	▲ 5pp	38%	12%	▲ 26pp YoY

*Figures Without IAS 29 are provided for historical comparison purpose only

Key highlights in 1Q 2024

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

- Revenues surged by 32% year-over-year (YoY) to 840 million TL. (without IAS 29- Unadjusted for inflation, revenues experienced a growth of 125% amounting to 792 million TL.)
- Operational profit increased by 107% YoY, reaching 173 million TL. On an unadjusted basis, Operational Profit tripled, reaching 309 million TL.
- EBITDA increased by 6.4% YoY, totaling 134 million TL. On an unadjusted basis, EBITDA rose by 103% to 252 million TL.
- Production volumes achieved 19,000 tonnes, indicating a substantial 83% YoY growth.
- Sales volumes realized 17,000 tonnes, reflecting a 30% year-on-year YoY increase.
- Export sales reached 5,000 tonnes, a five-fold increase compared to the same quarter of the previous year.

Key Takeaways:

- Thanks to supportive regulatory updates, for the upcoming quarters of the year, export income continues to boost operational profits. It is noteworthy that, the IPO valuation report, prepared in the mid-2023, did not include any export forecasts. Despite this, 5 thousand tonnes of exports have already been achieved in Q1.
- In addition to exports, 3rd Party sales strengthened its position around 20% of revenue as an important sales channel for revenue diversification while well-established steady customers of TFI Group companies are being enjoyed by Atakey.
- Generated cash from operations is 77 million TL. Advance payments to farmers are the primary reason for the increase in receivables in Q1. In the following quarters, these advance payments will be deducted

from subsequent payments, thereby forecasting an increase in cash generation capacity of business model as usual.

- Last but not least, strong cash position of the company is the major takeaway that Net debt to EBITDA multiple has decreased to 0.5 after debt payments as promised during the IPO.
- Final remarkable point is the advance payment for the new investment line, one of the other IPO claims of the company to produce new products such as onion rings and cheese sticks.

Comments of ATAKey Board Member: Erhan Cansu

As Türkiye's leading frozen potato producer and one of Europe's top processors, we have had a strong start to 2024, demonstrating robust financial and operational results. Our solid production model spans the entire value chain—from sourcing seeds to delivering our products from field to table. During Q1 2024, we not only continued to leverage TFI Tab food partnership supplying to over 3000 restaurants in Türkiye and China, we also expanded our distribution network to include a variety of key third-party entities within the industry.

Despite the impact of Ramadan, we maintained a strong financial performance. Our revenue saw a real increase of 32% year-over-year, reaching 840 million TL. Our Operational profit and EBITDA soared to 173 million TL and 134 million TL, representing increases of 107% and 6.4% respectively. Our non-group third-party sales have reached 19% of our revenues this quarter, establishing a consistent trajectory. Additionally, exports now constitute 36% of the total revenue, marking a satisfying start to the year. We made solid inroads into the Chinese market, strengthening our position and contributing to our results.

On the production and sales front, we achieved an important milestone by producing 19K tonnes—a 90% increase from the same quarter last year. Sales volume also showed strong growth, with 17K tonnes sold, marking a 30% increase from last year's corresponding quarter. Additionally, in Q1 2024, we began investing in the new production line to produce Coated Onion Rings and Cheese Sticks, set to reach a capacity of 10K tonnes, aiming for market introduction by Q4.

This quarter's results reinforce our leadership in the industry and our commitment to sustainable growth and profitability. We look forward to continuing this trajectory, delivering value to our stakeholders, and expanding our global footprint in the frozen foods market.

Guidance for FY 2024

For FY 2024, we are maintaining the guidance set forth in our IPO valuation report. While these projections are not adjusted for inflation, they define our objectives for the year: we aim to achieve 3.5 billion TL in revenue, with an EBITDA target of 1 billion TL and an EBITDA margin goal of 30% (inflation unadjusted figures). These figures continue to serve as our roadmap, guiding our strategic direction and operational focus throughout the year.

Business Highlights

Our Agricultural Journey Continues

As we navigate through the current fiscal year, our commitment to sustainable agriculture and strategic expansion continues to strengthen. Here's an overview of our ongoing initiatives and achievements under our agricultural operations:

We've successfully planted on 3,768 decares of highly fertile land across Türkiye to cultivate our Potato seed for next year's production.

For this year production process as of Q2, we have delivered previous year cultivated seeds to our farmers to start semination. We have contracted with 170 farmers, covering the cultivation of more than 40,000 acres in over 20 cities.

Operational Capacity and Market Presence

Our annual production capacity stands at 90,000 tonnes of coated frozen French fries. This capacity not only highlights our operational scale but also strengthens our market presence. Additionally, the ATAKey-led initiative to provide high-quality, certified seeds to farmers is set to significantly boost crop productivity and elevate agricultural quality across the regions we operate.

In Q1 2024, we initiated investment in higher-margin product lines, including Coated Onion Rings and Cheese Sticks. The construction of a new production line began in the first quarter, marking a crucial advancement in our product diversification strategy.

We are establishing a production capacity of 10,000 tonnes for this new line. Our plan to produce these products by Q4, ahead of schedule, exemplifies our efficiency and proactive market adaptation.

Export Opportunity and Global Outreach

We are positioned to amplify our sales by intensifying our export activities, strategically leveraging both new and existing market opportunities. Our focused expansion plans are designed to harness global demand and enhance our international presence.

Our ongoing commitment to the Chinese market remains robust, with unified supply efforts directed towards TFI's network of over 1,570 restaurants across the region.

We are actively participating in global tenders which presents opportunities in the key markets of East Asia and Southeast Asia. Our RBI Certification and presence in over 100 countries robustly position us for a competitive advantage. This extensive reach and compliance are pivotal in our success in international tenders, supporting our global market expansion strategy.

Sustainability Overview

Atakey is firmly dedicated to minimizing our environmental impact, which positions us as an industry leader in sustainable practices. This commitment is integral to our corporate ethos and operational strategies.

We are conducting a comprehensive audit of our carbon footprint, encompassing Scope 1, 2, and 3 emissions. This audit is in the process of being verified in accordance with the GHG Protocol, reinforcing our commitment to transparency and environmental accountability.

To offset our Scope 2 emissions associated with electricity usage, we have procured I-RECs equivalent to 24K MWh from ATP's GreenX. This initiative is a key component of our strategy to mitigate our environmental footprint.

The successful implementation and certification of the ISO 50001 Energy Management System highlights our ongoing commitment to energy efficiency. This certification not only demonstrates our adherence

to international standards but also our dedication to continuous improvement in our operational efficiency.

P&L summary with IAS 29- inflation adjusted and without IAS 29 – unadjusted figures for high level analysis and historical comparisons.

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 financial statements without the application of IAS 29.

Financial Summary Table

Million (TL)	With IAS 29		Without IAS 29	
	1 January - 31 March 2024	1 January - 31 March 2023	1 January - 31 March 2024	1 January - 31 March 2023
Revenue	840	634	792	352
Cost of Sales (-)	(719)	(507)	(535)	(226)
Gross Profit	121	127	257	126
General and administrative Expenses (-)	(33)	(23)	(28)	(12)
Other income from main activities	17	7	16	4
Other expenses from main activities	(26)	(30)	(24)	(17)
Main Operating Profit	80	81	221	100
Income from investing activities	95	6	89	3
Expenses from investing activities	(2)	(3)	(2)	-
Operating profit before financial expenses	173	84	309	104
Financial income	1	-	1	-
Financial expenses	(44)	(50)	(41)	(27)
Monetary Loss/Gain	(67)	75	-	-
Profit before tax	64	109	268	76
Tax expense	(18)	(61)	(17)	(36)
Deffered tax income / expense	(41)	(72)	42	2
Net profit for the period	5	(24)	294	42