

23 May 2024

Q1 2024 Earnings Release

Evaluation of Halil Erdoğan, Ebebek Mağazacılık A.Ş. Group CEO

"Following our public offering in September 2023, we published our first annual financial results and annual report for 2023, prepared according to inflation accounting. In addition, we published our first GRI-approved sustainability report and completed our first electronic general assembly. We made a strong start to 2024, reaching 242 stores by the end of the first quarter. While we increased our number of visitors from 11.4 million to 12.2 million in the first quarter of 2024, we hosted approximately 37.4 million visitors on our ebebek.com website. Thus, the total number of products we sold increased from 19.9 million to 21.8 million. According to the financial statements before inflation accounting, which forms the basis of our Price Determination Report dated July 2023, our revenue increased by 86% in the first quarter of 2024 compared to the same period in 2023, and our EBITDA increased by 169% in the first quarter of 2024 in our financial statements prepared within the framework of inflation accounting practices. In our financial statements prepared under inflation accounting practices, our revenue for the first quarter of 2024 increased by 12% compared to 2023, reaching 3.6 billion TL, while our EBITDA increased by 277% to 128 million TL. I am confident that we will build on our first-quarter successes and close the year successfully."

Financial data before the impact of TMS 29

mTL	Pre-Inflation Accounting Financial Data		
	Q1 2024	Q1 2023	Δ%
Revenue	3.405	1.833	85,8%
Gross Profit	1.354	577	134,7%
%	39,8%	31,5%	
EBITDA	466	173	169,4%
%	13,7%	9,4%	

Comparative summary financial data for the 1st Quarter of 2024 and the 1st Quarter of 2023 before the implementation of "TAS 29 Financial Reporting in Economies with High Inflation" are as follows:

Consolidated revenue, which was 1,833 million TL in the first quarter of 2023, reached 3,405 million TL with an increase of 86% in the first quarter of 2024. While gross profit increased by 135% compared to the previous period, reaching 1,354 million TL, gross profit margin increased by 8.3 points to 39.8% in the same period.

EBITDA, which was 173 million TL in the first quarter of 2023, reached 466 million TL in the first quarter of 2024. EBITDA margin increased by 4.2 points to 13.7% in the same period.

Our number of stores increased to 242 as of March 31.

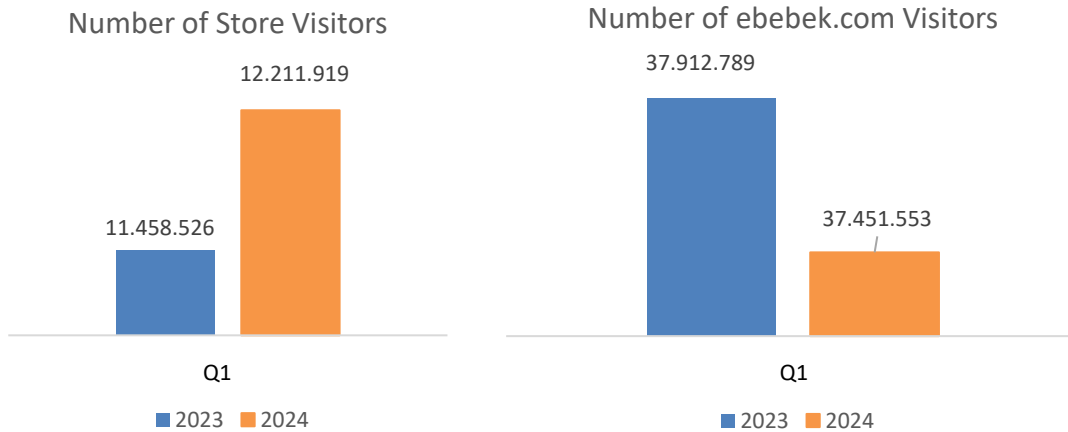
As of December 31, 2023, our company had a total of 235 stores in Türkiye, 228 of which are traditional and 7 are mini concept stores. As of March 31, 2024, the number of stores of our company has reached 242, of which 235 are traditional and 7 are mini concept stores.

Between 1 January - 31 March 2024; a total of 8 stores were opened 1 in Ankara, 1 in Mersin, 2 in İstanbul (Avrupark Hayat and Kayaşehir Maveria 4), 2 in Kırklareli (Lüleburgaz Minimall Avm and Kırklareli Minimall Avm), 1 in Giresun, and 1 in İzmir and 1 store was closed in İstanbul.

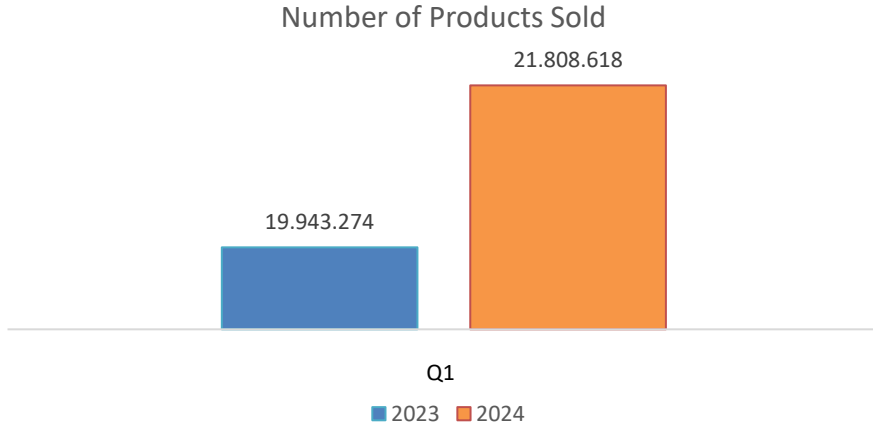
Number of Store and Website Visitors in the 1st Quarter

The number of visitors to ebebek stores in the first quarter of the year increased by 6,6% compared to the same period of the previous year, reaching 12.211.919.

The number of ebebek.com visitors in the first quarter of 2024 decreased by 1,2% compared to the same period of 2023, reaching 37.451.553. The decrease in visitors to the website is a result of the digital marketing strategy shaped with the aim of increasing customer conversion rate. ebebek.com sales volumes increased in the first quarter of 2024 compared to the same period of 2023.

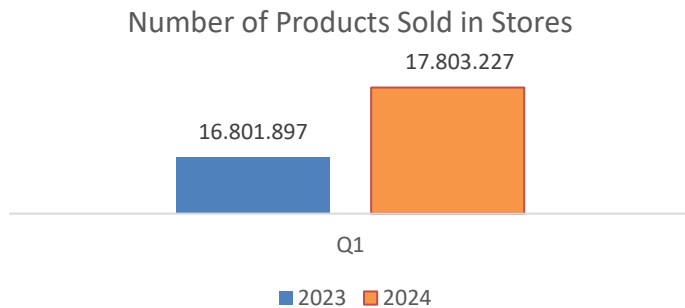


1st Quarter Store and E-commerce Number of Products Sold



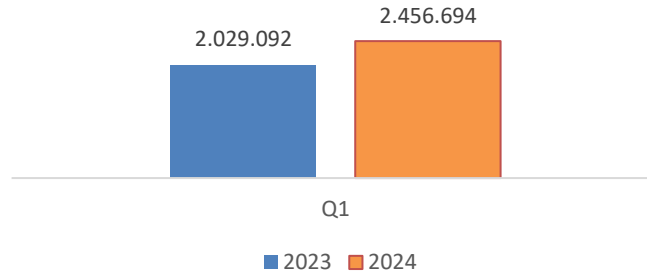
In the first quarter of 2024, the total number of products sold through ebebek stores and e-commerce channels in Türkiye increased by 9,4% compared to the same period of 2023, reaching 21.808.618.

Breakdown of number of products sold by sales channel:



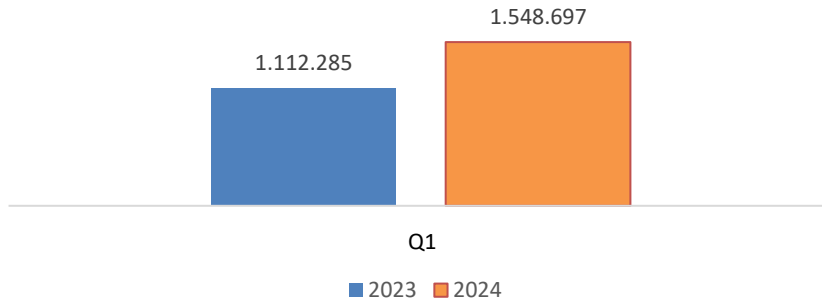
In the first quarter of 2024, the total number of products sold in ebebek stores in Türkiye increased by 6,0% compared to the same period of 2023, reaching 17.803.227.

Number of Products Sold on ebebek.com



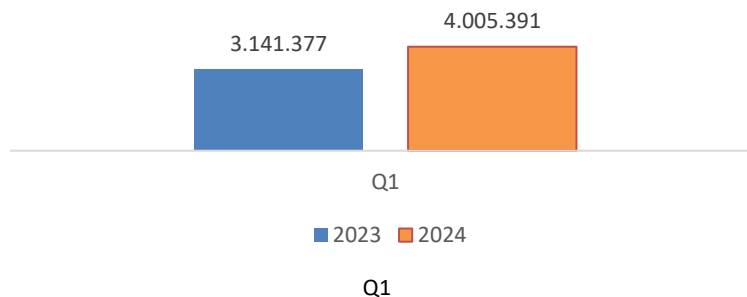
The total number of products sold on ebebek.com in the first quarter of 2024 increased by 21,1% compared to the same period of 2023, reaching 2.456.694.

Number of Products Sold in Marketplaces



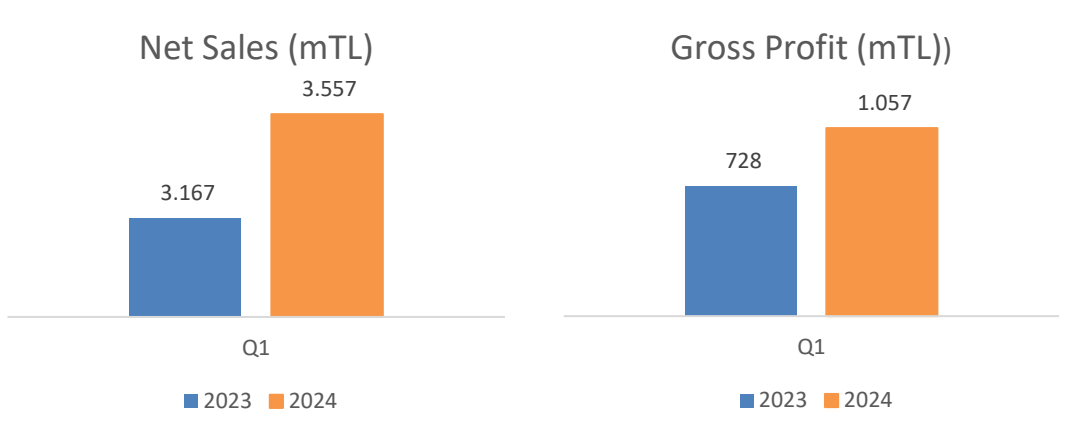
The total number of products sold from marketplaces in the first quarter of 2024 increased by 39,2% compared to the same period of 2023, reaching 1.548.697.

Total Number of Products Sold on E-commerce



The total number of products sold through e-commerce channels in the first quarter of 2024 increased by 27,5% compared to the same period of 2023, reaching 4.005.391.

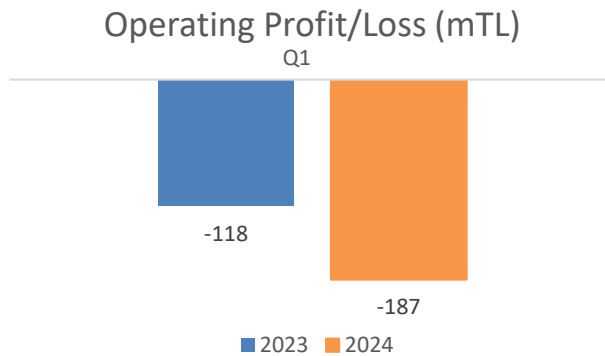
In the first quarter of 2024, our revenue increased by 12% and reached 3,6 billion TL compared to 2023.



In the first quarter of 2024, our revenue increased by %12 compared to the same quarter of 2023 and reached 3,6 billion TL. The increase in the number of stores and increasing number of sales were effective in this rise. Considering the pre-inflation accounting data, the revenue increase was 86% during the same period.

While gross profit increased by 45% to 1,1 billion, gross profit margin improved from 23,0% to 29,7% TL in the first quarter of 2024 compared to the same period of 2023. Margin optimizations developed despite the inflationary economy and financing expenses related to forward purchases, which increased due to increasing financing costs, were effective in this increase. Financing expenses related to forward purchases are classified under other operating expenses.

An operating loss of 187 million TL was recorded in the first quarter of 2024.

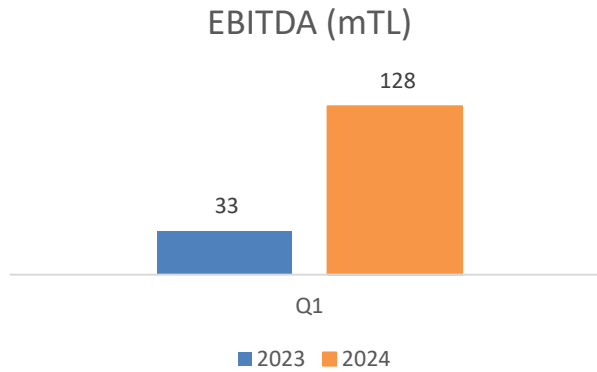


In the first quarter of 2024, operating loss increased by 59% and reached 187 million TL compared to the same period of 2023. Operating loss margin changed from (3.7%) to (5.3%).

When this change in operating loss margins of the first quarters of 2023 and 2024 is examined:

- There was 6,7% margin improvement in gross profit as detailed above.
- The ratio of personnel expenses to revenue increased from 12,1% to 14,8%. The main reason for this increase is the augmentation of the minimum wage and the actions taken to increase the number of personnel in stores to increase the customer satisfaction.
- The ratio of energy expenses to revenue decreased from 1,6% to 0,9%.
- The ratio of advertising expenses to revenue increased from 1,8% to 2,1% as a result of the increasing advertising and marketing activities in UK.
- The ratio of cargo expenses to revenue increased from 1.3% to 2.5%. One of the main reasons for this increase is that the weight of online sales increased in the entire revenue in the first quarter of 2024. As ebebek's traditional February campaign could not be held as planned in 2023 due to the Kahramanmaraş Earthquake, there was a decrease in online sales and in cargo expenses. In addition, certain decreases in quantities per order also had a negative impact on cargo expenses.
- The ratio of other income/expense from operating activities to revenue increased from 1,8% to 5,6%. The primary reason for this increase is the rise in financing expenses related to forward purchases, which have increased in proportion to the rising borrowing rates.

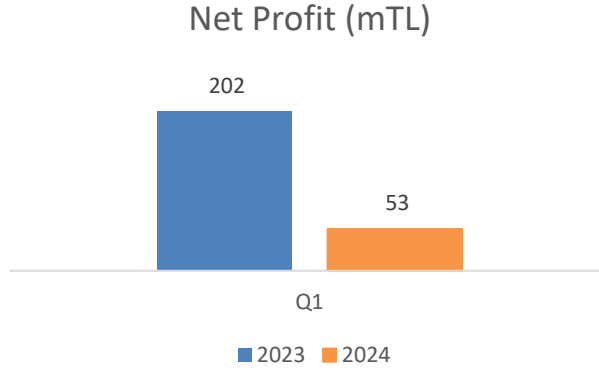
EBITDA increased by 277% and reached 128 million TL.



In the first quarter of 2024, EBITDA increased by 292% compared to the same period of 2023 and reached 128 million TL. Considering the data before inflation accounting EBITDBA increase was 169% during the same period.

For the same period, the EBITDA margin increased from 1,1% to 3,6%. The main reason for this increase is the increase in gross profit.

A net profit of 54 million TL was generated in the first quarter of 2024.



One of the biggest factors in the decrease in net profit is the decrease in the monetary earnings account compared to the first quarter of 2023. As a result of the capital increase after the public offering in September 2023, the Company's equity capital has increased, which causes monetary loss according to inflation accounting principles. Since the equity size was at lower levels in the first quarter of 2023, the impact of monetary loss was lower.

Financial Debt

While the Group's net financial debt is at 4 million TL as of December 31, 2023, the Group's net financial debt is at 312 million TL as of March 31, 2024.

m TL	31.Mar.24	31.Dec.23
Cash and Cash Equivalents	946	997
Financial Investments	134	139
Short-term Borrowings	(741)	(528)
Short-term Lease Liabilities	(141)	(128)
Long-term Lease Liabilities	(510)	(484)
(Net Financial Debt) Position	(312)	(4)

Summary Statement of Financial Position

mTL	31.Mar.24	%	31.Dec.23	%	31.Dec.22	%
Current Assets						
Cash and Cash Equivalents	946	12,3	997	13,8	102	2,0
Financial Investments	134	1,7	139	1,9	-	-
Trade Receivables	77	1,0	50	0,7	68	1,3
Inventories	3.253	42,3	3.142	43,6	2.833	55,5
Other	949	12,3	768	10,7	447	8,8
TOTAL CURRENT ASSETS	5.359	69,7	5.096	70,7	3.450	67,6
Non-Current Assets						
Right of Use Assets	828	10,8	780	10,8	601	11,8
Tangible and Intangible Assets	1.472	19,1	1.314	18,2	1.050	20,6
Other	35	0,5	14	0,2	4	0,1
TOTAL NON-CURRENT ASSETS	2.335	30,3	2.108	29,3	1.655	32,4
TOTAL ASSETS	7.694	100,0	7.204	100,0	5.105	100,0
Short-Term Liabilities						
Short-Term Borrowings	741	9,6	528	7,3	598	11,7
Short-Term Lease Liabilities	141	1,8	128	1,8	78	1,5
Trade Payables	2.818	36,6	2.730	37,9	2.555	50,0
Current Tax Liabilities	54	0,7	47	0,7	-	-
Other	119	1,5	129	1,8	96	1,9
TOTAL SHORT-TERM LIABILITIES	3.873	50,3	3.562	49,4	3.327	65,2
Long-Term Liabilities						
Long-Term Lease Liabilities	510	6,6	484	6,7	385	7,5
Long-Term Provisions	71	0,9	63	0,9	130	2,5
Deferred Tax Liabilities	257	3,3	167	2,3	84	1,6
Other	14	0,2	14	0,2	21	0,4
TOTAL LONG-TERM LIABILITIES	852	11,1	728	10,1	620	12,1
TOTAL EQUITY	2.969	38,6	2.914	40,4	1.158	22,7
TOTAL LIABILITIES AND EQUITY	7.694	100,0	7.204	100,0	5.105	100,0

Summary Profit/Loss Statement

mTL	31 March 2024	%	31 March 2023	%
Net Sales	3.557	100,0	3.167	100,0
Cost of Sales	(2.454)	(69,0)	(2.396)	(75,7)
Personnel Expenses	(525)	(14,8)	(383)	(12,1)
Advertising and Promotion Expenses	(74)	(2,1)	(57)	(1,8)
Energy Expenses	(32)	(0,9)	(50)	(1,6)
Cargo Expenses	(89)	(2,5)	(42)	(1,3)
Transportation Expenses	(37)	(1,0)	(23)	(0,7)
Other Operational Expenses	(218)	(6,1)	(182)	(5,8)
EBITDA	128	3,6	33	1,0
Depreciation and Amortization Expenses	(116)	(3,3)	(93)	(3,0)
Other Income/Expense from Operating Activities	(199)	(5,6)	(57)	(1,8)
OPERATING PROFIT/(LOSS)	(187)	(5,3)	(118)	(3,7)
Income/Expense from Investment Activities	18	0,5	5	0,2
Financial Income/Expense	(111)	(3,1)	(104)	(3,3)
Net monetary position gain/(loss)	425	12,0	495	15,6
PROFIT BEFORE TAX	145	4,1	279	8,8
Tax Income/Expense	(91)	(2,6)	(78)	(2,5)
NET INCOME FOR THE PERIOD	53	1,5	202	6,4

About the Company

ebebek is a website and store chain that provides quality products, friendly staff, high service standards, affordable prices, expert knowledge and after-shopping support 24 hours a day to meet all needs of mother and baby from the prenatal period up to the age of four. ebebek, which started with an e-commerce site in 2001, moved into physical retailing at the beginning of 2003 and continues to serve parents with its internet sales site and physical stores. The shares of the Company, which went public in 2023, are traded on Borsa Istanbul's Stars Market under the code EBEBK. You can find more information about the company at <https://kurumsal.ebebek.com/en/>.

Investor Relations – Contact

Tolga Koyuncu Financial and Administrative Affairs Director Tel: (216) 325 73 25 yatirimciiliskileri@ebebek.com	Eser Taşçı Investor Relations Coordinator Tel: (216) 325 73 25 yatirimciiliskileri@ebebek.com
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Reservation

This document contains statements regarding the performance of the Company. The statements in question have been prepared based on current data available. Whether the Company's future performance will occur as expected or not depends on uncertainties and/or unpredictable events that may be encountered in the future which may significantly affect the Company's performance, including but not limited to, changes in macroeconomic and geopolitical conditions, increases in tax rates, unexpected climate events and natural disasters. Uncertainties and/or unforeseeable events, including but not limited to those mentioned, may cause the future performance of the Company to differ from the expectations contained in this document.

The Company acknowledges that the findings and information contained in this document are based on available data and warns the addressees of this document that it is not a guarantee or promise regarding the future performance and financial results of the Company. The Company, the Company's board members, the Company's managers and/or the Company's employees are not responsible for any damages that may arise due to the use of the content in this document.

In this information note regarding the financial results of 2024 first quarter, corrected financial data were used, in accordance with the inflation effect based on the relevant accounting principles included in the Turkish Accounting Standard 29 “TMS 29 Financial Reporting in Economies with High Inflation” in accordance with the decision of the Capital Markets Board dated 28 December 2023 and numbered 81/1820.

On the other hand, in the period before the Capital Markets Board's decision dated 28 December 2023 and numbered 81/1820, the Company's future expectations and 2023



interim financial results were reported using financial data without inflation accounting. In this context, in order to ensure an accurate and efficient analysis by both investors and analysts, for the selected indicative items that we have used in our investor information notes in the past periods, data prepared based on the costs in the relevant period were also included. The additional data mentioned were disclosed only for this period and have not been independently audited; they only consist of information prepared for management reporting.

Financial Report

The information contained in this information note is largely derived from the 31.03.2024 dated tables published on Public Disclosure Platform (KAP). The report published on KAP can be accessed from <https://www.kap.org.tr/tr/Bildirim/1290305> .