

24 October 2024

Q3 2024 Earnings Release

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

“By maintaining our company's store expansion rate in the first half of 2024, we have increased the number of our stores to 257 by the end of the third quarter of 2024. While the number of visitors in our stores reached 12.3 million in the third quarter of 2024, we hosted a total of 31.9 million visitors on our website ebebek.com. The number of products sold in the same period increased by 9% compared to the third quarter of 2023, reaching 22.7 million.

According to our financial statements before inflation accounting, our revenue increased by 72% and our EBITDA increased by 95% in the third quarter of 2024 compared to the same period of 2023. In our financial statements prepared within the framework of inflation accounting practices, our revenue increased by 11% in the same period and our EBITDA increased approximately 9 times.

For the rest of the year, we will hopefully continue to grow domestically and work on our international breakthroughs. In line with our store opening strategy in the UK market, we have previously announced that we have signed the lease agreements for our three stores that we aim to open in London in the first quarter of 2025, and that we have also started feasibility studies to open stores in the cities of Erbil, Sulaymaniyah and Duhok in Northern Iraq. As we enter the last quarter of the year, I believe that we will continue the success we showed in the first 9 months and close the year with successful results.”

Financial data before the impact of TMS 29

mTL	Excluding TMS 29 effects			Excluding TMS 29 effects		
	2024 9M	2023 9M	Δ%	2024 Q3	2023 Q3	Δ%
Net Sales	11.487	6.322	82%	4.267	2.484	72%
Gross Profit	4.830	2.307	109%	1.880	1.006	87%
	% 42,0%	36,5%		44,1%	40,5%	
EBITDA	2.108	949	122%	923	473	95%
	% 18,4%	15,0%		21,6%	19,0%	

Before the implementation of "TMS 29 Financial Reporting in Economies with High Inflation", the third quarter and 9-month comparative summary financial data of 2024 and 2023 are as follows:

Consolidated revenue, which was 6,322 million TL in the first 9 months of 2023, reached 11,487 million TL with an 82% increase in the first 9 months of 2024. The third quarter revenue increase was recorded as 72%. Gross profit increased by 109% compared to the previous period, reaching 4,830 million TL, and gross profit margin reached 42.0%, an



increase of 5.5 points in the same period. In the third quarter, gross profit increase was 87% and gross profit margin increased to 44.1%.

EBITDA, which was 949 million TL in the first 9 months of 2023, reached 2,108 million TL in the first 9 months of 2024. EBITDA margin increased by 3.4 points to 18.4% in the same period. EBITDA margin in the third quarter was 21.6%.

Our number of stores increased to 257 as of September 30.

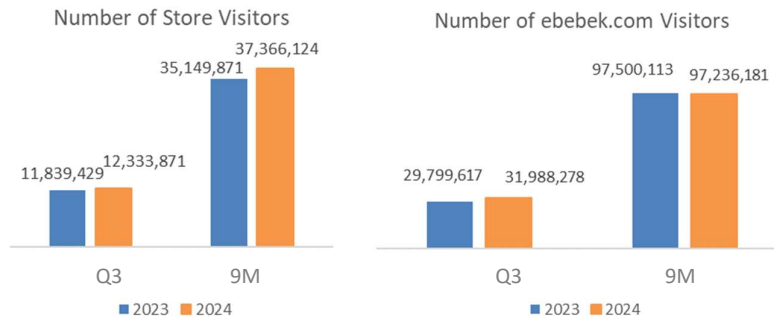
As of June 30, 2024, our company had a total of 249 stores in Türkiye, 242 of which are traditional and 7 are mini concept stores. As of September 30, 2024, the number of stores of our company reached 257, of which 247 are traditional and 10 are mini concept stores.

Between 1 July - 30 September 2024; a total of 8 stores were opened 1 in Mardin, 1 in Gaziantep, 1 in Bursa, 1 in Uşak, 1 in Kocaeli, 1 in İstanbul, 1 in Antalya, and 1 in Şanlıurfa.

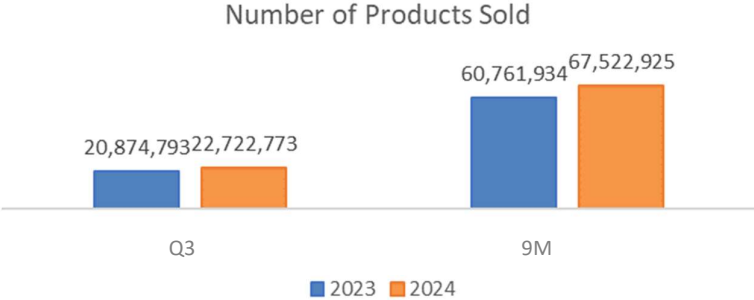
Number of Store and Website Visitors in the 3rd Quarter and the First 9 Months

The number of visitors to ebebek stores in the third quarter of the year increased by 4,2% compared to the same period of the previous year, reaching 12.333.871. In the first 9-month period ending in September 2024, the number of visitors to ebebek stores increased by 6,3%, reaching 37.366.124.

The number of ebebek.com visitors in the third quarter of 2024 increased by 7,3% compared to the same period of 2023, reaching 31.988.278. The number of visitors to the ebebek.com website in the first 9 months of the year decreased by 0,3% to 97.236.181. The decrease in visitors on the website is a result of the digital marketing strategy shaped with the aim of increasing the customer conversion rate. ebebek.com sales volumes increased in the 3rd quarter and first 9 months of 2024 compared to the same periods of 2023.

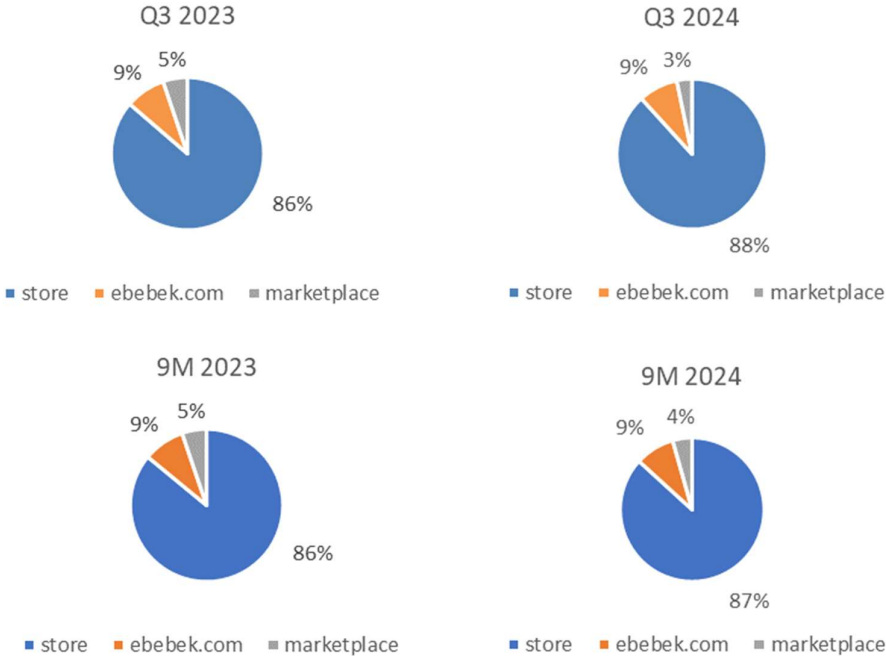


3rd Quarter and First 9 Months Store and E-commerce Number of Products Sold

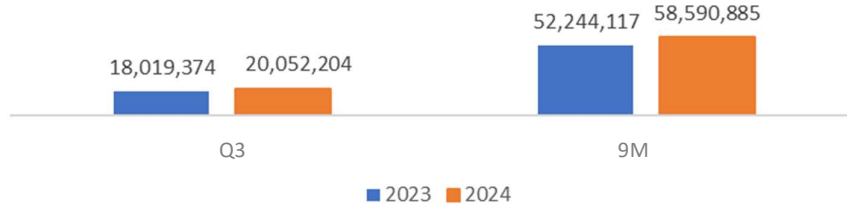


In the third quarter of 2024, the total number of products sold through ebebek stores and e-commerce channels in Türkiye increased by 8,9% compared to the same period of 2023, reaching 22.722.773, while in the first 9 months of 2024, this number increased by 11,1% compared to the same period of 2023, reaching 67.522.925.

Breakdown of number of products sold by sales channel:

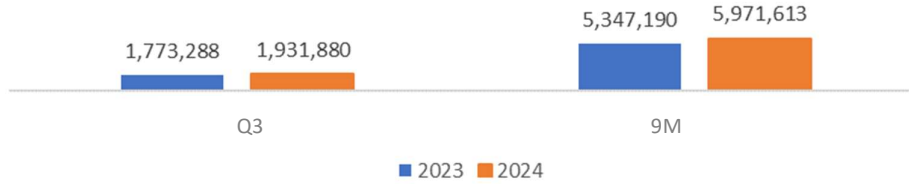


Number of Products Sold in Stores



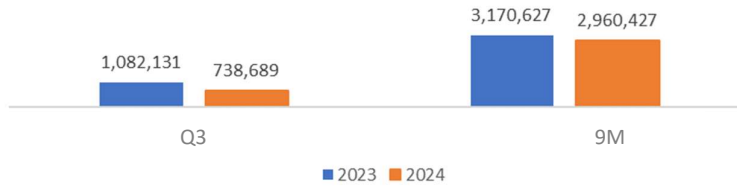
In the third quarter of 2024, the total number of products sold in ebebek stores in Türkiye increased by 11,3% compared to the same period of 2023, reaching 20.052.204, while in the first 9 months of 2024, this number increased by 12,1% compared to the same period of 2023, reaching 58.590.885.

Number of Products Sold on ebebek.com

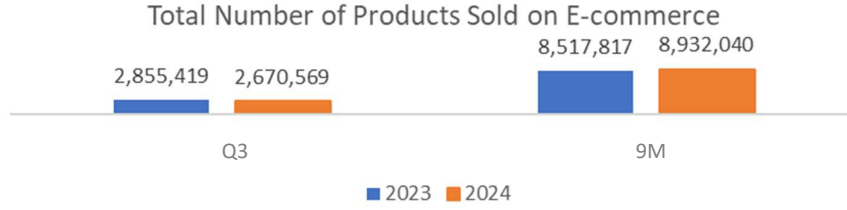


While the total number of products sold on ebebek.com in the third quarter of 2024 increased by 8,9% compared to the same period of 2023, reaching 1.931.880, in the first 9 months of 2024, this number increased by 11,7% compared to the same period of 2023, reaching 5.971.613.

Number of Products Sold in Marketplaces

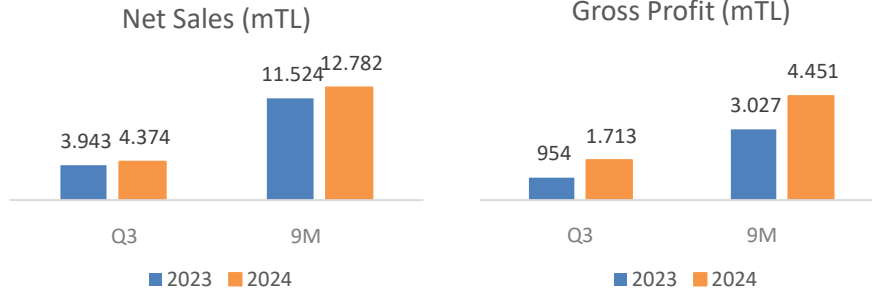


While the total number of products sold from marketplaces in the third quarter of 2024 decreased by 31.7% compared to the same period of 2023, reaching 738,689, in the first 9 months of 2024 this number decreased by 6.6% compared to the same period of the previous year, reaching 2,960,427. The reason for the decrease in the number of units in the marketplaces is the decision to strategically reduce the campaign and marketing support provided and to focus rather on growth in the ebebek.com channel.



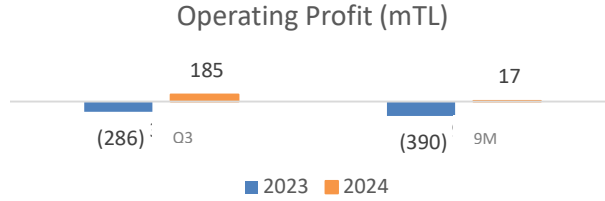
While the total number of products sold through e-commerce channels in the third quarter of 2024 decreased by 6,5% compared to the same period of 2023, reaching 2.670.569, in the first 9 months of 2024, this number increased by 4,9% compared to the same period of 2023, reaching 8.932.040.

In the first quarter of 2024, our revenue increased by 11% and reached 4,3 billion TL.



In the third quarter of 2024, our revenue increased by 11% compared to the same period of 2023 and reached 4.3 billion TL. In the first 9 months of 2024, there was an 11% increase compared to the same period of 2023. The increase in the number of our stores and sales volumes were effective in this rise. Considering the data before inflation accounting, the revenue increase in the first 9 months of the year was 82%.

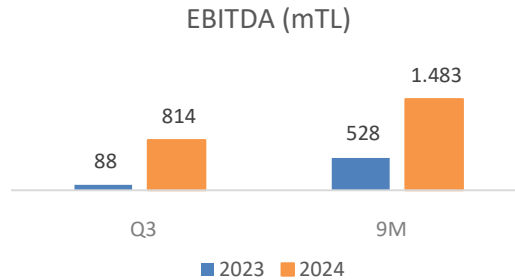
While gross profit increased by 80% to 1.7 billion TL in the third quarter of 2024 compared to the same period of 2023, gross profit margin increased from 24.2% to 39.2%. When we look at the first 9 months of 2024, gross profit increased by 47% to 4.4 billion TL, while gross profit margin increased from 26.3% to 34.8%. Margin optimizations developed against the inflationary economy, product mix changes and rising financing costs related to forward purchases due to increased financing costs were effective in this increase. Financing expenses related to forward purchases are accounted under other expenses from operating activities.



While the operating profit was 185 million TL in the third quarter of 2024, an operating loss of 286 million TL was realized in the same period of 2023. When we look at the first 9 months of 2024, the main operating profit was 17 million TL, and the operating loss was 390 million TL in the first 9 months of 2023.

The main driver of the improvement in operating profit and profit margins in 2024 was the increasing gross profit margin. The approximately 9-point increase in gross profit margin in the first 9 months contributed significantly to the main operating profit margin turning positive, despite the proportional increase in operational expenses.

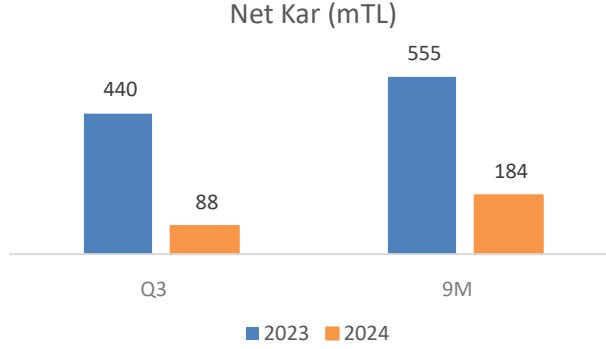
EBITDA increased by 181% in the first 9 months and reached 1,483 million TL.



In the third quarter of 2024, EBITDA increased from 88 million TL to 814 million TL compared to the same period of the previous year. When we compare the first 9 months of 2024 with the same period of the previous year, the increase was 181%. Considering the data before inflation accounting, EBITDA increase was 122% in the first 9 months of the year.

EBITDA margin in the third quarter is 18.6% and 11.6% in the first 9 months of 2024. EBITDA margin in the third quarter was 2.2% and 4.6% in the first 9 months of 2023. The largest share in this increase comes from the increase in gross profit margin.

A net profit of 88 million TL was generated in the third quarter.



In the third quarter of 2024, net profit was 88 million TL, and in the third quarter of 2023, net profit was 440 million TL. When we look at the first 9-month realizations, net profit decreased from 555 million TL to 184 million TL in 2024; and net profit margin decreased from 4.8% to 1.4%. The main reason for the proportional change here is the decrease in the monetary earnings rate compared to 2023. The main reasons for the major change in monetary earnings are the high inflation in the 3rd quarter of 2023 and the fact that the increased equity after the public offering causes monetary loss in accordance with the principles of inflation accounting.

Financial Debt

While the Group's net financial debt was 6 million TL as of December 31, 2023, the Group's net financial debt increased to 13 million TL as of September 30, 2024.

m TL	30.Sep.24	31.Dec.23
Cash and Cash Equivalents	1.291	1.177
Financial Investments	155	164
Short-term Borrowings	(807)	(624)
Short-term Lease Liabilities	(143)	(151)
Long-term Lease Liabilities	(509)	(572)
(Net Financial Debt) Position	(13)	(6)

Summary Statement of Financial Position

mTL	30.Sep.24	%	31.Dec.23	%	31.Dec.22	%
Current Assets						
Cash and Cash Equivalents	1.291	13,8	1.177	13,8	120	2,0
Financial Investments	155	1,7	164	1,9	-	-
Trade Receivables	76	0,8	59	0,7	80	1,3
Inventories	4.007	42,9	3.710	43,6	3.345	55,5
Other	761	8,1	906	10,7	527	8,7
TOTAL CURRENT ASSETS	6.290	67,3	6.016	70,7	4.072	67,6
Non-Current Assets						
Right of Use Assets	1.134	12,1	921	10,8	709	11,8
Tangible and Intangible Assets	1.879	20,1	1.552	18,2	1.239	20,6
Other	46	0,5	18	0,2	4	0,1
TOTAL NON-CURRENT ASSETS	3.059	32,7	2.491	29,3	1.952	32,4
TOTAL ASSETS	9.349	100,0	8.507	100,0	6.024	100,0
Short-Term Liabilities						
Short-Term Borrowings	807	8,6	624	7,3	707	11,7
Short-Term Lease Liabilities	143	1,5	151	1,8	92	1,5
Trade Payables	3.716	39,7	3.223	37,9	3.017	50,1
Current Tax Liabilities	18	0,2	55	0,6	-	-
Other	146	1,6	153	1,8	113	1,9
TOTAL SHORT-TERM LIABILITIES	4.830	51,7	4.206	49,4	3.929	65,2
Long-Term Liabilities						
Long-Term Lease Liabilities	509	5,4	572	6,7	455	7,6
Long-Term Provisions	82	0,9	74	0,9	154	2,6
Deferred Tax Liabilities	315	3,4	197	2,3	99	1,6
Other	15	0,2	18	0,2	20	0,3
TOTAL LONG-TERM LIABILITIES	921	9,9	861	10,1	728	12,1
TOTAL EQUITY	3.598	38,5	3.440	40,4	1.367	22,7
TOTAL LIABILITIES AND EQUITY	9.349	100,0	8.507	100,0	6.024	100,0

Summary Profit/Loss Statement

mTL	1 January - 30 September 2024		1 January - 30 September 2023		1 July - 30 September 2024		1 July - 30 September 2023	
		%		%		%		%
Net Sales	12.782	100,0	11.524	100,0	4.374	100,0	3.943	100,0
Cost of Sales	(8.198)	(64,1)	(8.331)	(72,3)	(2.629)	(60,1)	(2.892)	(73,3)
Personnel Expenses	(1.726)	(13,5)	(1.380)	(12,0)	(522)	(11,9)	(479)	(12,2)
Advertising and Promotion Expenses	(243)	(1,9)	(201)	(1,7)	(81)	(1,8)	(58)	(1,5)
Energy Expenses	(117)	(0,9)	(140)	(1,2)	(49)	(1,1)	(46)	(1,2)
Cargo Expenses	(214)	(1,7)	(138)	(1,2)	(54)	(1,2)	(52)	(1,3)
Transportation Expenses	(107)	(0,8)	(88)	(0,8)	(29)	(0,7)	(34)	(0,9)
Other Operational Expenses	(694)	(5,4)	(718)	(6,2)	(196)	(4,5)	(294)	(7,5)
EBITDA	1.483	11,6	528	4,6	814	18,6	88	2,2
Depreciation and Amortization Expenses	(387)	(3,0)	(374)	(3,2)	(146)	(3,3)	(142)	(3,6)
Other Income/Expense from Operating Activities	(1.079)	(8,4)	(543)	(4,7)	(484)	(11,1)	(232)	(5,9)
OPERATING PROFIT/(LOSS)	17	0,1	(390)	(3,4)	185	4,2	(286)	(7,2)
Income/Expense from Investment Activities	44	0,3	27	0,2	16	0,4	22	0,6
Financial Income/Expense	(437)	(3,4)	(393)	(3,4)	(155)	(3,5)	(154)	(3,9)
Net monetary position gain/(loss)	701	5,5	1.559	13,5	133	3,0	1.022	25,9
PROFIT BEFORE TAX	326	2,5	804	7,0	180	4,1	604	15,3
Tax Income/Expense	(142)	(1,1)	(249)	(2,2)	(92)	(2,1)	(164)	(4,2)
NET INCOME FOR THE PERIOD	184	1,4	555	4,8	88	2,0	440	11,2



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/>.

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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 third 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 30.09.2024 dated tables published on Public Disclosure Platform (KAP). The report published on KAP can be accessed from <https://www.kap.org.tr/tr/Bildirim/1350559>