

19 October 2023

## Q3 2023 Earnings Release

### Evaluation of Halil Erdoğan, Ebebek Mağazacılık A.Ş. Chairman of the Board and Group CEO

“With the strength we received from approximately 4 million investors who participated in our successful public offering in September 2023, we hosted 12 million visitors in our 224 stores and nearly 30 million visitors on our ebebek.com website in the third quarter of 2023. As our public offering shows, we are a retail brand that appeals to a very large audience. Reflecting this success in our operating results, we increased our sales in Turkey by 9%, our consolidated sales revenues by 92%, and our operating profit by 71% in the third quarter. As we enter the last quarter of the year, we aim to maintain the successful results we have achieved in the first 9 months with the momentum of our ongoing store openings, strong e-commerce growth and developing organizational structure in the fourth quarter.”

### Our number of stores increased to 224 as of September 30.

As of August 25, 2023, our company has a total of 220 stores in Turkey, 217 of which are traditional and 3 are mini concept stores. As of September 30, 2023, the number of stores of our company has reached 224, of which 220 are traditional and 4 are mini concept stores.

Between 26 August - 30 September 2023; a total of 4 stores, 1 of which is mini (1 in Istanbul, 1 in Denizli, 2 in Manisa (1 Salihli and 1 Turgutlu)) were opened.



Biz Cevahir Mini



Manisa Salihli



Denizli Cinkaya Bulvarı

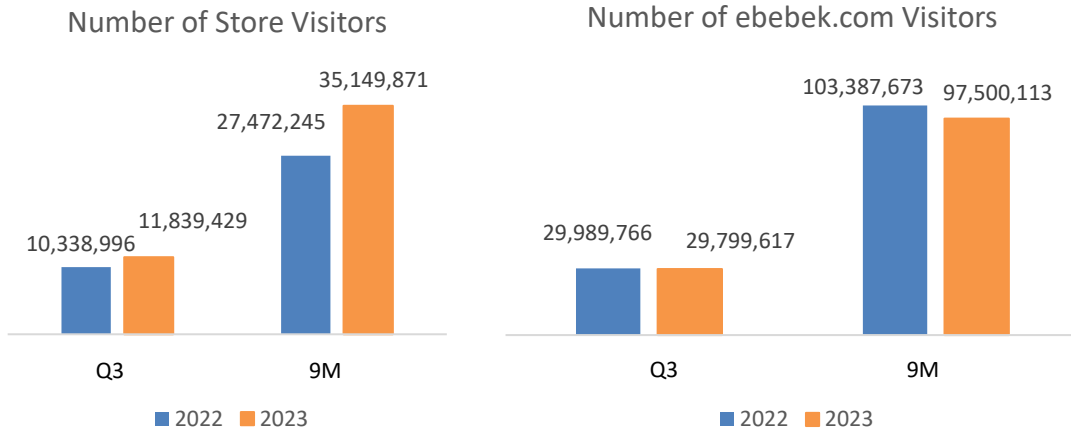


Manisa Turgutlu AVM

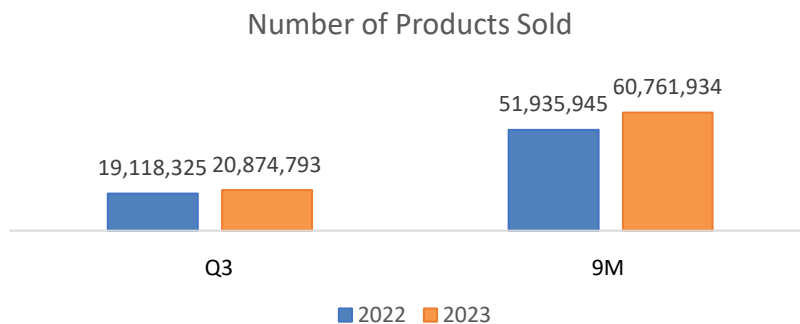
### Number of Store and Website Visitors in the 3rd Quarter and the First 9 Months

The number of visitors to ebebek stores in the third quarter of the year increased by 14.5% compared to the same period of the previous year, reaching 11,839,429. In the first 9-month period ending in September 2023, the number of visitors to ebebek stores increased by 27.9%, reaching 35,149,871.

The number of ebebek.com visitors in the third quarter of 2023 decreased by 0.6% compared to the same period of 2022, reaching 29,799,617. The number of visitors to the ebebek.com website in the first 9 months of the year decreased by 5.7% to 97,500,113. 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 both the 3rd quarter and the first 9 months of 2023 compared to the same periods of 2022.



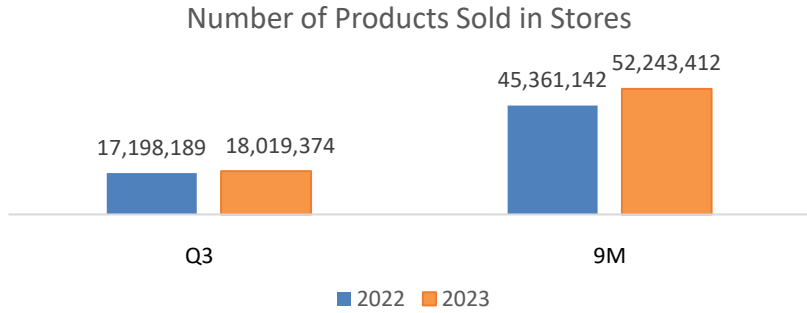
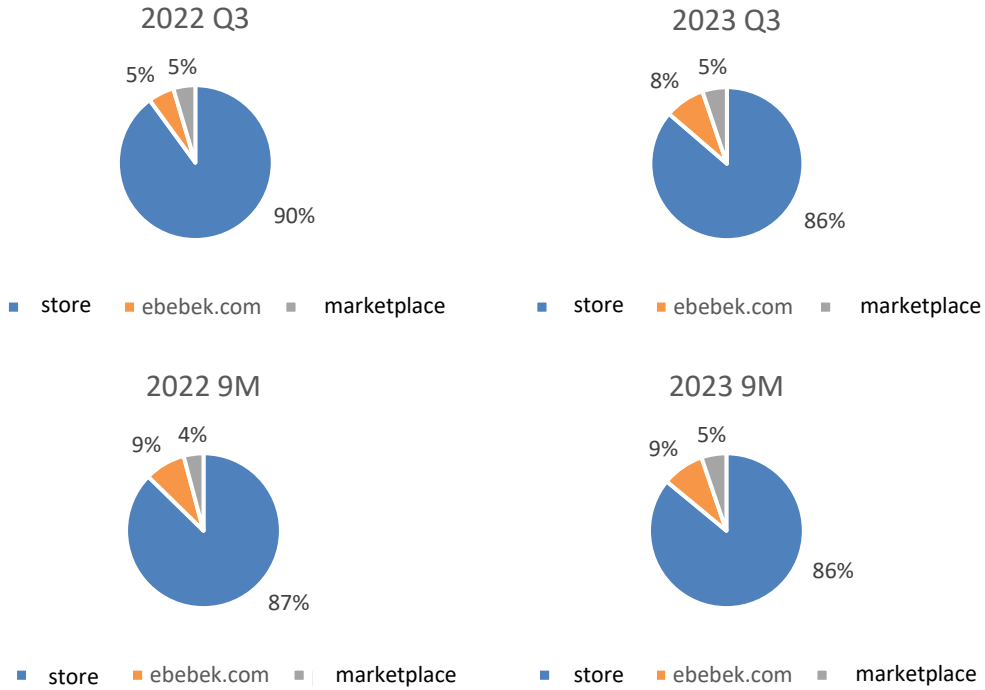
### 3rd Quarter and First 9 Month Store and E-commerce Number of Products Sold



In the third quarter of 2023, the total number of products sold through ebebek stores and e-commerce channels in Turkey increased by 9% compared to the same period of 2022, reaching 20,874,793, while in the first 9 months of 2023, this number increased by 17% compared to the same period of 2022, reaching 60,761,934.

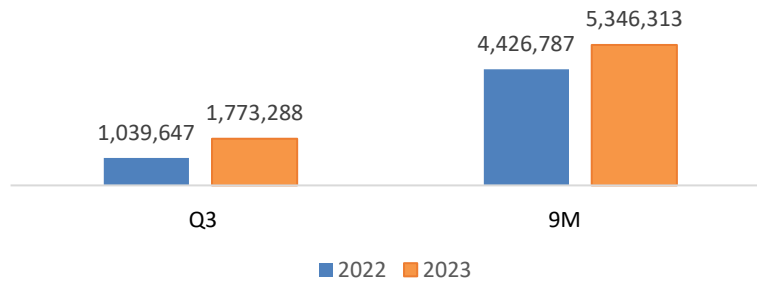


Breakdown of number of products sold by sales channel:



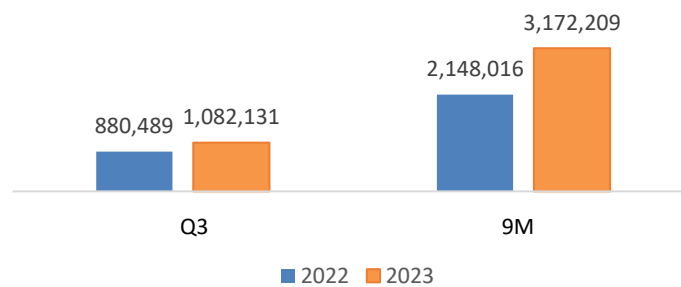
In the third quarter of 2023, the total number of products sold in ebebek stores in Turkey increased by 5% compared to the same period of 2022, reaching 18,019,374, while in the first 9 months of 2023, this number increased by 15% compared to the same period of 2022, reaching 52,243,412.

Number of Products Sold on ebebek.com



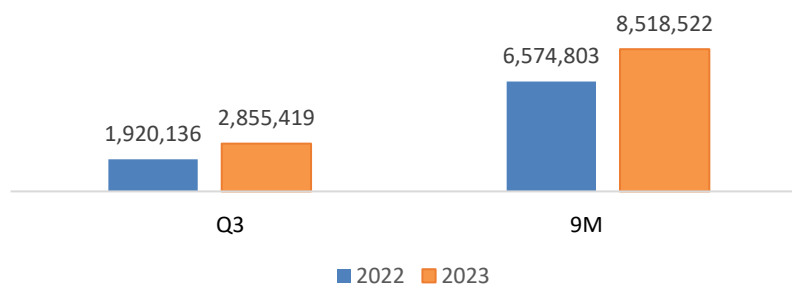
While the total number of products sold on ebebek.com in the third quarter of 2023 increased by 71% compared to the same period of 2022, reaching 1,773,288, in the first 9 months of 2023, this number increased by 21% compared to the same period of 2022, reaching 5,346,313.

Number of Products Sold in Marketplaces

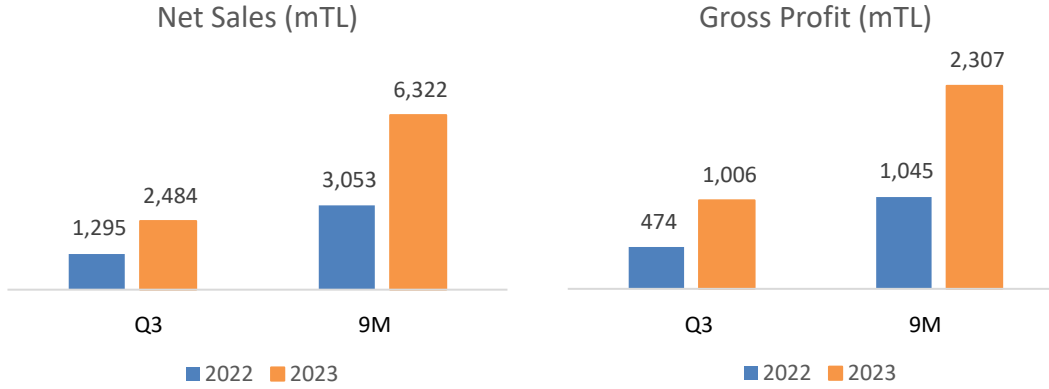


While the total number of products sold from marketplaces in the third quarter of 2023 increased by 23% compared to the same period of 2022, reaching 1,082,131, in the first 9 months of 2023, this number increased by 48% compared to the same period of the previous year, reaching 3,172,209.

Total Number of Products Sold on E-commerce



While the total number of products sold through e-commerce channels in the third quarter of 2023 increased by 49% compared to the same period of 2022, reaching 2,855,419, in the first 9 months of 2023, this number increased by 30% compared to the same period of 2022, reaching 8,518,522.

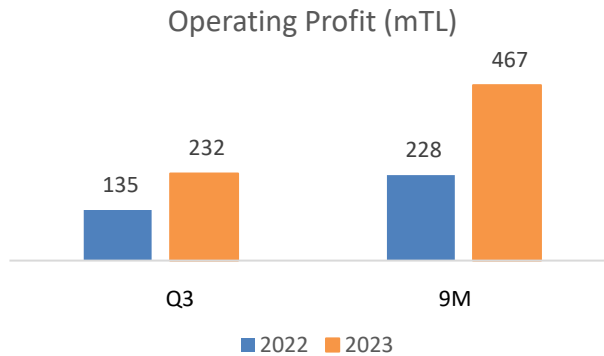


In the third quarter of 2023, our revenue increased by 92% compared to the same quarter of the previous year, reaching 2.5 billion TL, thanks to increasing number of stores and sales volumes. Sales revenues in the first 9 months of the year increased by 107% and reached 6.3 billion TL.

While gross profit increased by 112% to 1.0 billion TL in the third quarter of the year, gross profit margin improved by 390 basis points and reached 40.5%. The most important reason for this increase is the effect of financing expenses related to forward purchases, which increased due to increasing financing costs. Financing expenses related to forward purchases are classified under other operating expenses.

In the first 9 months of the year, gross profit increased by 121% to 2.3 billion TL. Gross profit margin in the same period increased by 230 basis points and reached 36.5%.

**An operating profit of 232 million TL was recorded in the third quarter.**



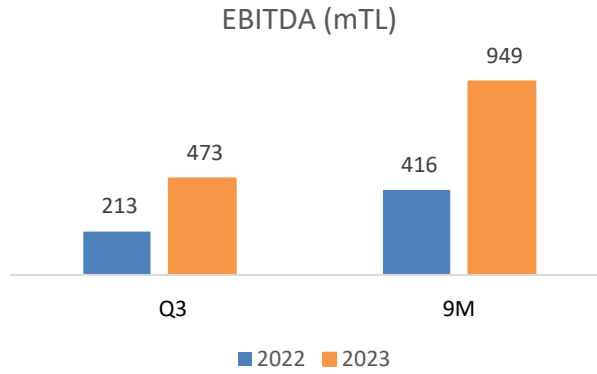
In the third quarter of 2023, operating profit increased by 71% and reached 232 million TL.

The operating profit margin decreased by 110 basis points to 9.3%. When this decrease is examined, the items that show significant differences compared to the previous period are as follows:

- The ratio of personnel expenses to revenue increased from 10.4% to 12%. The main reasons for this increase are the reflection of the 34% minimum wage increase, effective as of July 2023, on the wages of all employees and the increase in the number of personnel employed to work in foreign investment projects compared to 2022.
- The ratio of energy expenses to revenue decreased from 2.0% to 1.2%.
- The ratio of advertising expenses to revenue decreased from 1.9% to 1.5% as a result of the changing digital marketing strategy.

In the first 9 months of the year, the main operating profit increased by 105% and reached 467 million TL, and the main operating profit margin was 7.4%, in line with 2022.

#### **EBITDA increased by 122% and reached 473 million TL.**



In the third quarter of 2023, EBITDA increased by 122% compared to the same period of the previous year and reached 473 million TL. In the same period, EBITDA margin increased by 250 basis points to 19%. The most important reason for this increase is the increase in gross profitability and limited operating expenses thanks to efficiency-oriented purchasing strategies. In the first 9 months of the year, EBITDA increased by 128% and reached 949 million TL, and the EBITDA margin increased from 13.6% to 15%.

#### **A net profit of 102 million TL was generated in the 3rd quarter.**

Net profit increased by 47% in the third quarter of the year, reaching 102 million TL, and net profit margin decreased by 120 basis points to 4.1% in the same period. In addition to the decline in the operating profit margin, increased financing costs as a result of monetary tightening also caused this decrease in the net profit margin. In the first 9 months of the year, net profit increased by 139% to 187 million TL, while net profit margin increased from 2.6% to 3% in the same period.

## Financial Debt

While the Group's net financial debt is at 506 million TL as of December 31, 2022, as of September 30, 2023, the Group has no net financial debt and has a net cash position of 143 million TL. Excluding the net cash inflow resulting from the public offering as of September 30, 2023, the net financial debt is calculated as 919 million TL. The Net Financial Debt/EBITDA ratio was 0.8 on both December 31, 2022 and September 30, 2023, excluding the net cash inflow resulting from the public offering.

m TL	31 December 2022	30 September 2023
Cash and Cash Equivalents	54	466
Financial Investments	-	524
Short-Term Borrowings	(316)	(415)
Short-Term Lease Liabilities	(41)	(56)
Long-Term Lease Liabilities	(203)	(376)
<b>Net Cash / (Net Financial Debt) Position</b>	<b>(506)</b>	<b>143</b>
Net Cash Inflow from Public Offering	-	1.062
<b>Net Financial Debt Excluding Cash Inflow from IPO</b>	<b>(506)</b>	<b>(919)</b>

## Summary Statement of Financial Position

mTL	30 September 2023	%	31 December 2022	%
<b>Current Assets</b>				
Cash and Cash Equivalents	466	9,7	54	2,4
Financial Investments	411	8,6	-	-
Trade Receivables	62	1,3	36	1,6
Inventories	2.395	49,8	1.389	60,8
Other	463	9,6	233	10,2
<b>TOTAL CURRENT ASSETS</b>	<b>3.797</b>	<b>79,0</b>	<b>1.711</b>	<b>74,9</b>
<b>Non-Current Assets</b>				
Long-Term Financial Investments	112	2,3	-	-
Right-of-Use Assets	370	7,7	214	9,4
Tangible and Intangible Non-Current Assets	485	10,1	306	13,4
Deferred Tax Assets	38	0,8	50	2,2
Other	1	0,0	2	0,1
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1.007</b>	<b>21,0</b>	<b>572</b>	<b>25,1</b>
<b>TOTAL ASSETS</b>	<b>4.805</b>	<b>100,0</b>	<b>2.284</b>	<b>100,0</b>
<b>Short-Term Liabilities</b>				
Short-Term Borrowings	415	8,6	316	13,8
Short-Term Lease Liabilities	56	1,2	41	1,8
Trade Payables	2.235	46,5	1.348	59,0
Current Income Tax Liabilities	33	0,7	0	0,0
Other	84	1,8	51	2,2
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>2.824</b>	<b>58,8</b>	<b>1.755</b>	<b>76,9</b>
<b>Long Term Liabilities</b>				
Long-Term Lease Liabilities	376	7,8	203	8,9
Long-Term Provisions	120	2,5	69	3,0
Deferred Tax Liabilities	2	0,0	3	0,1
Other	11	0,2	10	0,4
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>508</b>	<b>10,6</b>	<b>284</b>	<b>12,5</b>
<b>TOTAL EQUITY</b>	<b>1.472</b>	<b>30,6</b>	<b>244</b>	<b>10,7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4.805</b>	<b>100,0</b>	<b>2.284</b>	<b>100,0</b>



## Summary Profit/Loss Statement

mTL	2022		2023		2022		2023	
	9 Months	%	9 Months	%	Q3	%	Q3	%
<b>Net Sales</b>	<b>3.053</b>	<b>100,0</b>	<b>6.322</b>	<b>100,0</b>	<b>1.295</b>	<b>100,0</b>	<b>2.484</b>	<b>100,0</b>
Cost of Sales	(1.948)	(63,8)	(3.904)	(61,8)	(789)	(60,9)	(1.423)	(57,3)
Personnel Expenses	(331)	(10,8)	(756)	(12,0)	(135)	(10,4)	(299)	(12,0)
Advertising and Promotion Expenses	(56)	(1,8)	(109)	(1,7)	(24)	(1,9)	(36)	(1,5)
Energy Expenses	(51)	(1,7)	(78)	(1,2)	(26)	(2,0)	(30)	(1,2)
Other Operational Expenses	(251)	(8,2)	(526)	(8,3)	(107)	(8,3)	(222)	(8,9)
<b>EBITDA</b>	<b>416</b>	<b>13,6</b>	<b>949</b>	<b>15,0</b>	<b>213</b>	<b>16,5</b>	<b>473</b>	<b>19,0</b>
Depreciation and Amortization Expenses	(79)	(2,6)	(137)	(2,2)	(24)	(1,9)	(54)	(2,2)
Other Income/Expense from Operating Activities	(109)	(3,6)	(345)	(5,5)	(54)	(4,1)	(187)	(7,5)
<b>OPERATING PROFIT</b>	<b>228</b>	<b>7,5</b>	<b>467</b>	<b>7,4</b>	<b>135</b>	<b>10,5</b>	<b>232</b>	<b>9,3</b>
Income/Expense from Investment Activities	0	0,0	18	0,3	0	0,0	16	0,6
Financial Income/Expense	(120)	(3,9)	(231)	(3,7)	(47)	(3,6)	(109)	(4,4)
<b>PROFIT BEFORE TAX</b>	<b>109</b>	<b>3,6</b>	<b>254</b>	<b>4,0</b>	<b>88</b>	<b>6,8</b>	<b>139</b>	<b>5,6</b>
Tax Income/Expense	(31)	(1,0)	(67)	(1,1)	(20)	(1,5)	(37)	(1,5)
<b>NET INCOME FOR THE PERIOD</b>	<b>78</b>	<b>2,6</b>	<b>187</b>	<b>3,0</b>	<b>69</b>	<b>5,3</b>	<b>102</b>	<b>4,1</b>

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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The Company acknowledges that the "forward-looking statements" contained in this document are based on numerous assumptions that may not be realized due to uncertainties about the future and/or unforeseen events that may occur in the future. For this reason, it warns the addressees of this document that the "forward-looking statements" contained in the document do not constitute 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.

### Financial Report

The information contained in this information note is largely derived from the 30.09.2023 dated tables published on Public Disclosure Platform (KAP). The report published on KAP can be accessed from <https://www.kap.org.tr/tr/Bildirim/1207834>.