



Konfrut Investor Presentation

FY2022 Financial Results



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Highlights

Founded with the mission of «Agri Sourcing Redefined», Konfrut AG has achieved strong financial results on a consolidated basis, focusing on the agricultural sector and creating end-to-end supply chain.

413.3 thousand tons
Sales Volume  **6%**
Increase

Sustainable growth continues with investments

107.9 million ₺
Investments  **242%**
Increase




248
Number
of
Employees

Consolidated
Financial
Summary for
2022 YE

2.2 billion ₺
Net Sales 

167%
Net Sales
Growth

250.0 million ₺
EBITDA 

272%
EBITDA
Growth

128.5 million ₺
Net Profit 

153%
Net Profit
Growth

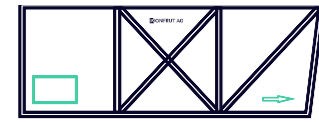
1.4 billion ₺
Total Assets 

109%
Asset Size
Growth

Konfrut AG at a Glance



Leading the Agricultural Transformation



The only one company in Turkey which has 105 numbered fiberglass tanks



Turkey's largest scale organic strawberry project



Bringing agriculture together with modern equipment and high technologies



Main Business Units

<p>Agri Sourcing and Services</p>	<p>In the year 2022; 528K tons Agri Sourcing Supply</p>	<p>Approximately 40K decares Contracted Agricultural Areas</p>	<p>20+ Variety of Fruits and Vegetables</p>
<p>Logistics</p>	<p>148K tons Transported Raw Material and Products</p>	<p>130+ Numbered Vehicle and Equipment Fleet* <i>* Including tractor, trailer, fiberglass, forklift, trailer, tow truck.</i></p>	
<p>Industry</p>	<p>123.6K numbered Palet Sales</p>	<p>17.5K m³ Forest Tender</p>	

2020	2021	2022	2025
<ul style="list-style-type: none"> The Company has been established in August, 2020 with the mission to be a «Agri Sourcing Redefined» company. 100% Konfrut Gıda ownership. Headquartered in Istanbul 	<ul style="list-style-type: none"> 525k tons of origination 20k tons hauling service Storage and logistics investments High digitisation 	<ul style="list-style-type: none"> The largest scale organic strawberry project Facility for Tea Pelleting Investment in Rize Iyidere First export was realized. 	<ul style="list-style-type: none"> Konfrut AG is aiming to become the first end-to-end, digital agri supply chain company with zero-waste principle in its DNA.

Organizational Structure and Human Resources



Organization Chart & Board of Directors

- The professional team of Konfrut AG, which has grown with solid steps in a short period of time, reached to **94** in 2022YE.

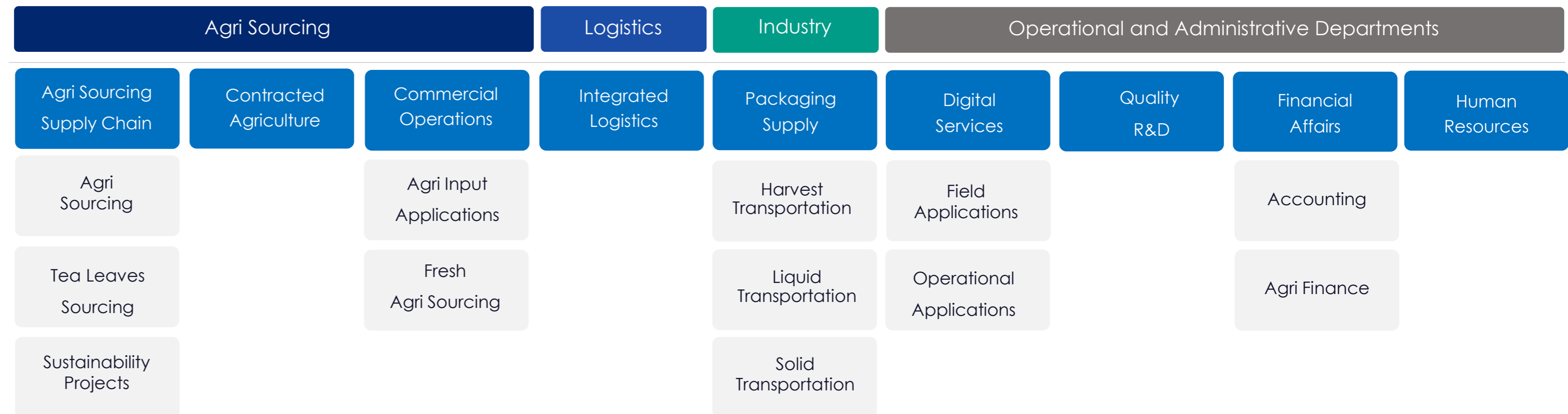
Human Resources in Consolidated Basis

- Total number of peronnel reached by **248** in 2022YE.
- 42%** of the professional team have bachelors degree or above.

Can Aydemir
Chairman

Kerim Aydemir
Vice Chairman

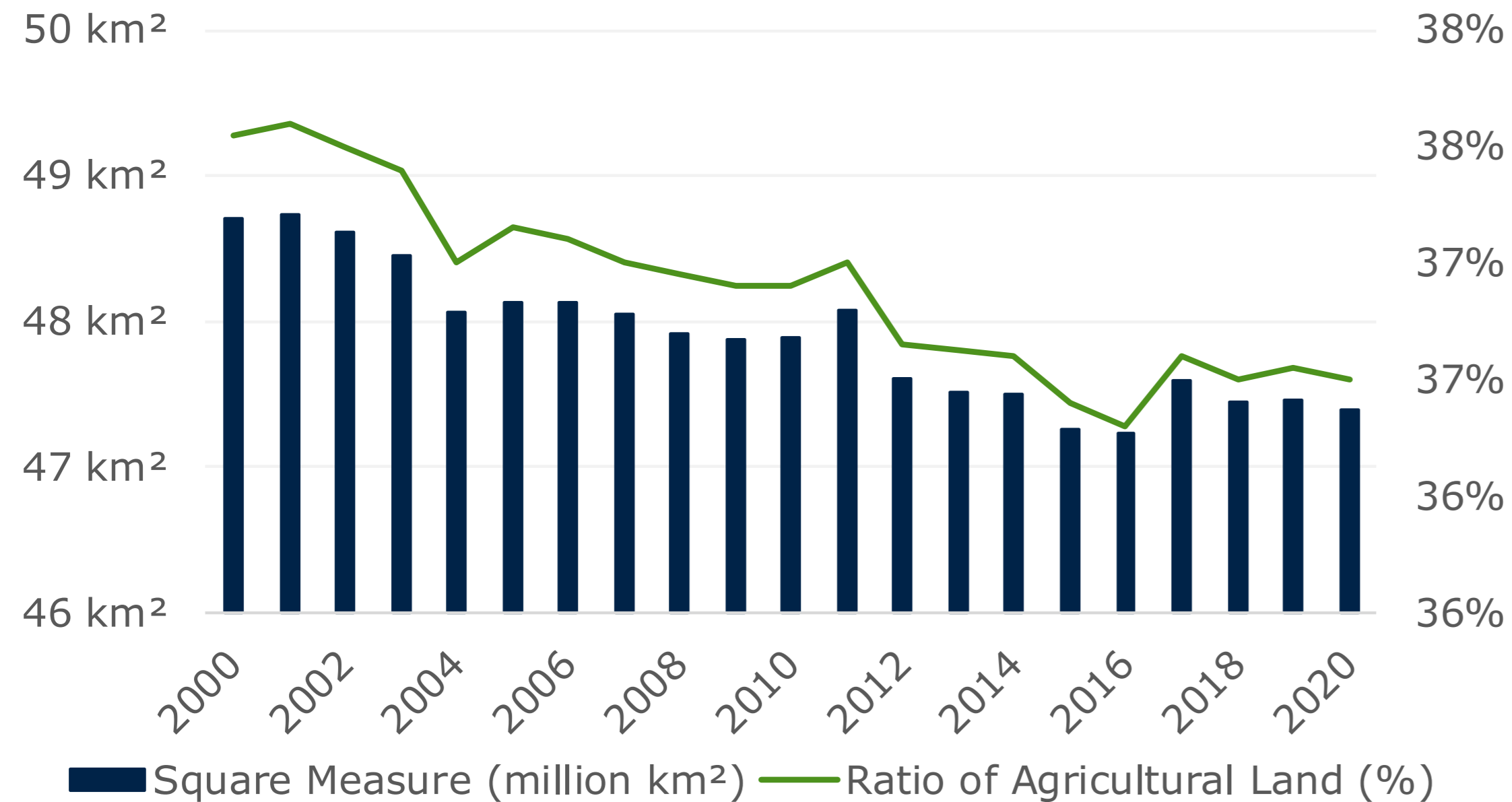
Bilsay Bilge
Board Member



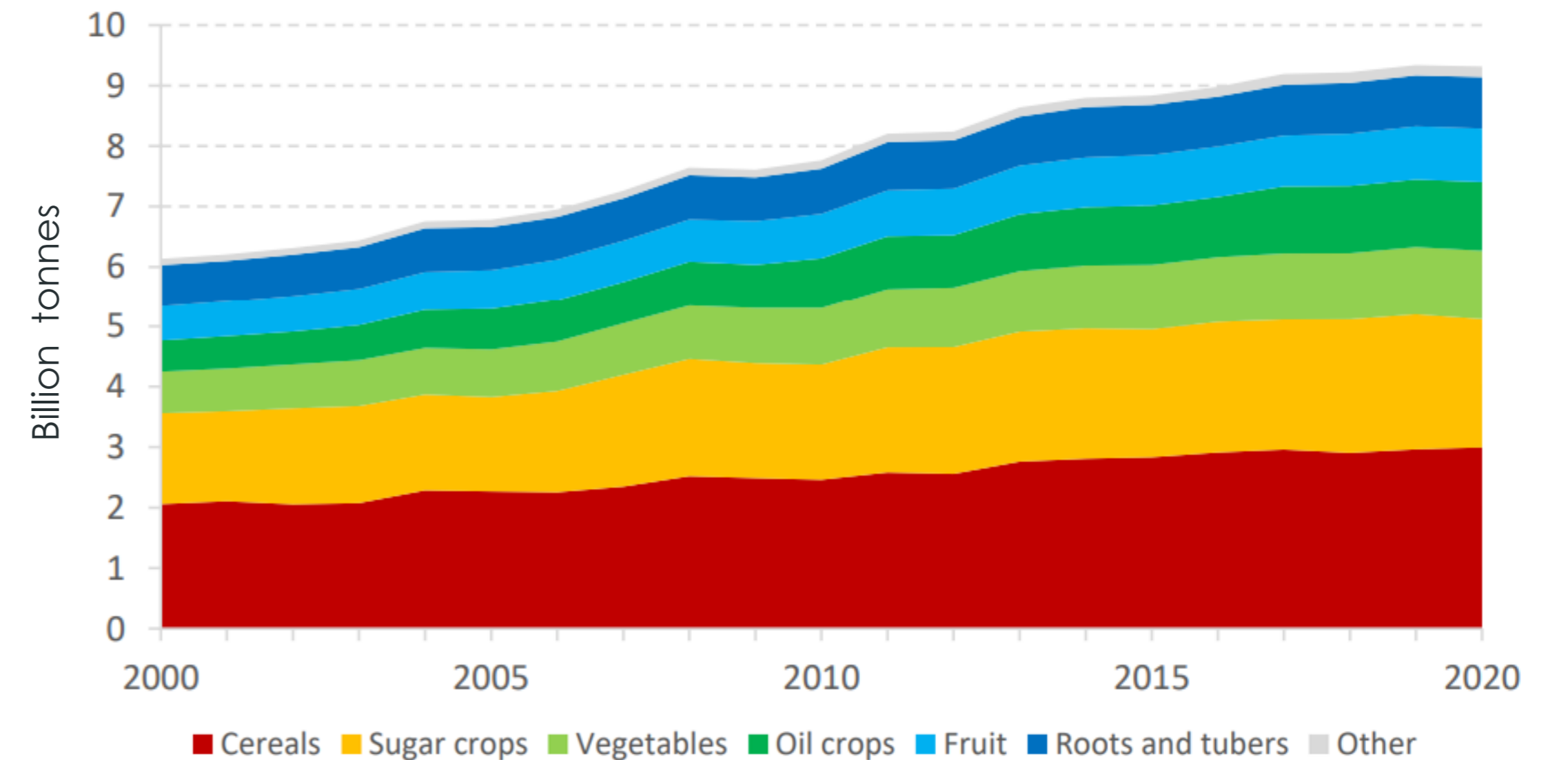
Market Overview

Global Agriculture Sector

Area of Agricultural Lands in the World



World Production of Crops, Main Commodities



The Importance of the Agricultural Sector is Increasing

- The latest UN **projections suggest that the world's population could grow to around 9.7 billion in 2050** and agricultural development is one of the most powerful tools in meeting the needs of the population, ending poverty and increasing welfare.
- Globally, the agricultural land area is about **5 billion hectares or 38% of the global land surface**. About one-third of this figure is used as agricultural land, while the rest consists of meadows and pastures and is used for grazing animals.



2019

2020

Agricultural land declined by **-134** million ha

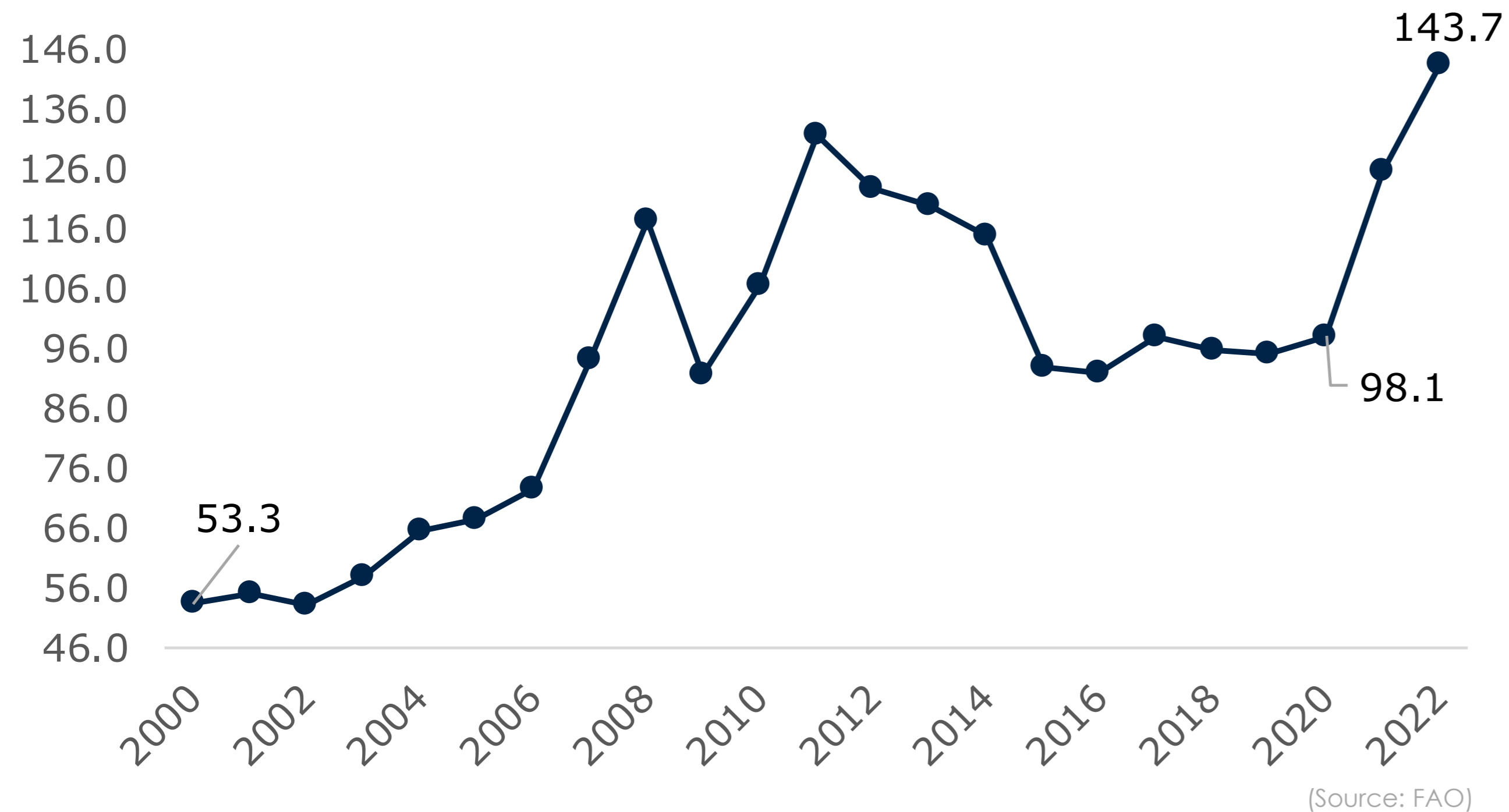
(Source: World Bank and FAO)

Market Overview

Global Agriculture Sector

Food Price Index, World

(2014-2016=100)



- **The World Food Price Index**, which started to increase in 2020 due to the restrictions during the COVID-19 epidemic affecting the supply chains, continued to rise in 2022 with the effect of the war between Russia and Ukraine. Both countries have an important share in the global grain trade. The FAO Food Price Index Average has reached its highest value since the first release of data in 1990.

Food Safety at Risk

- According to the studies; agriculture-based growth, struggle to reduce poverty and food security are at risk.
- Urbanization and accelerating climate change increase the food security risk.

In 2021 **828** million people starve with hunger

Between 2019-2021
+150
million people



2000

4%

Share of agriculture in global GDP

(Source: FAO)

Market Dynamics

Production and Cost in Turkey

Agricultural Input Price Index

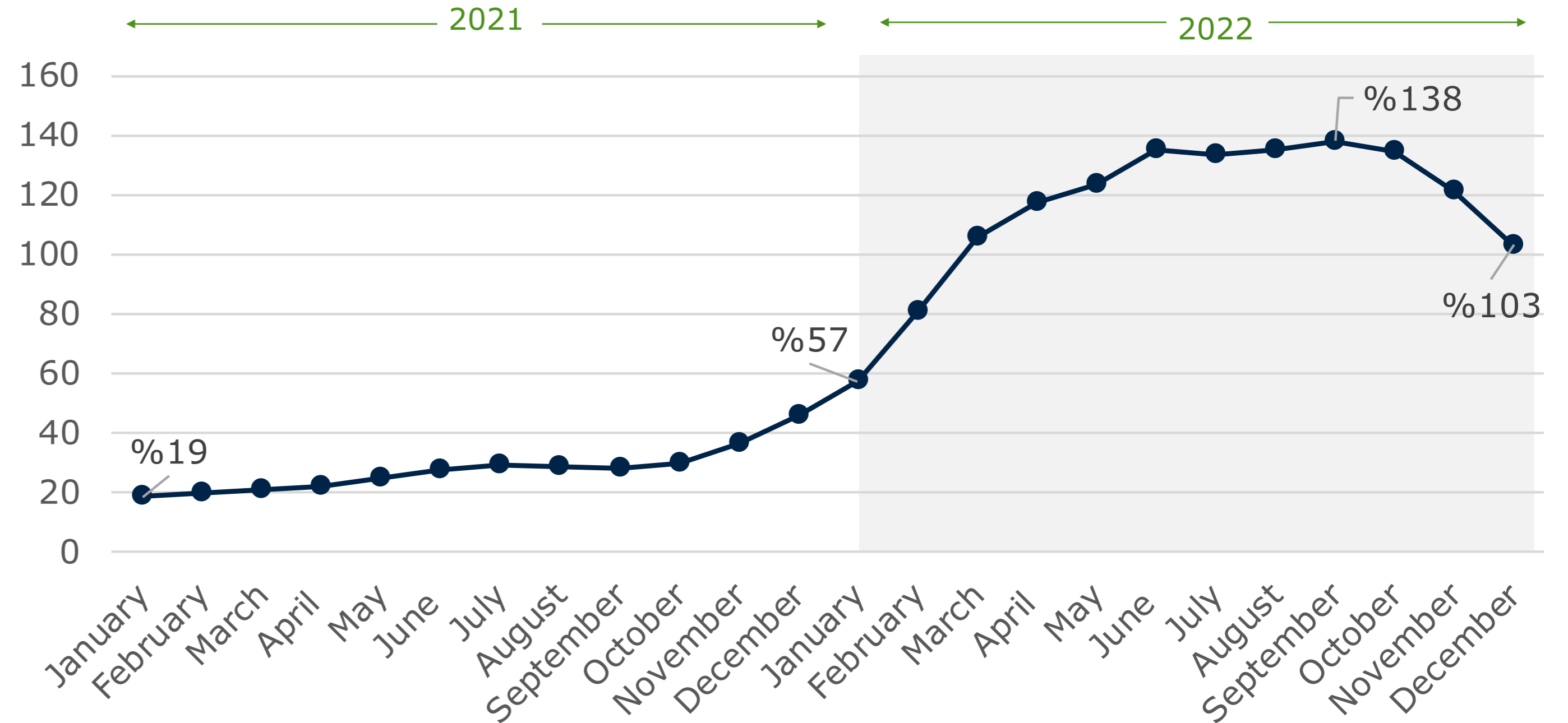
Annual Change Rate (%), December 2022

- **Agricultural Input Price Index** rose by **+103%** in December 2022, YoY.
- According to the sub-group of Agricultural Input Price Index that showed the highest annual increase was **energy and oil**.

Electricity Prices in Industry

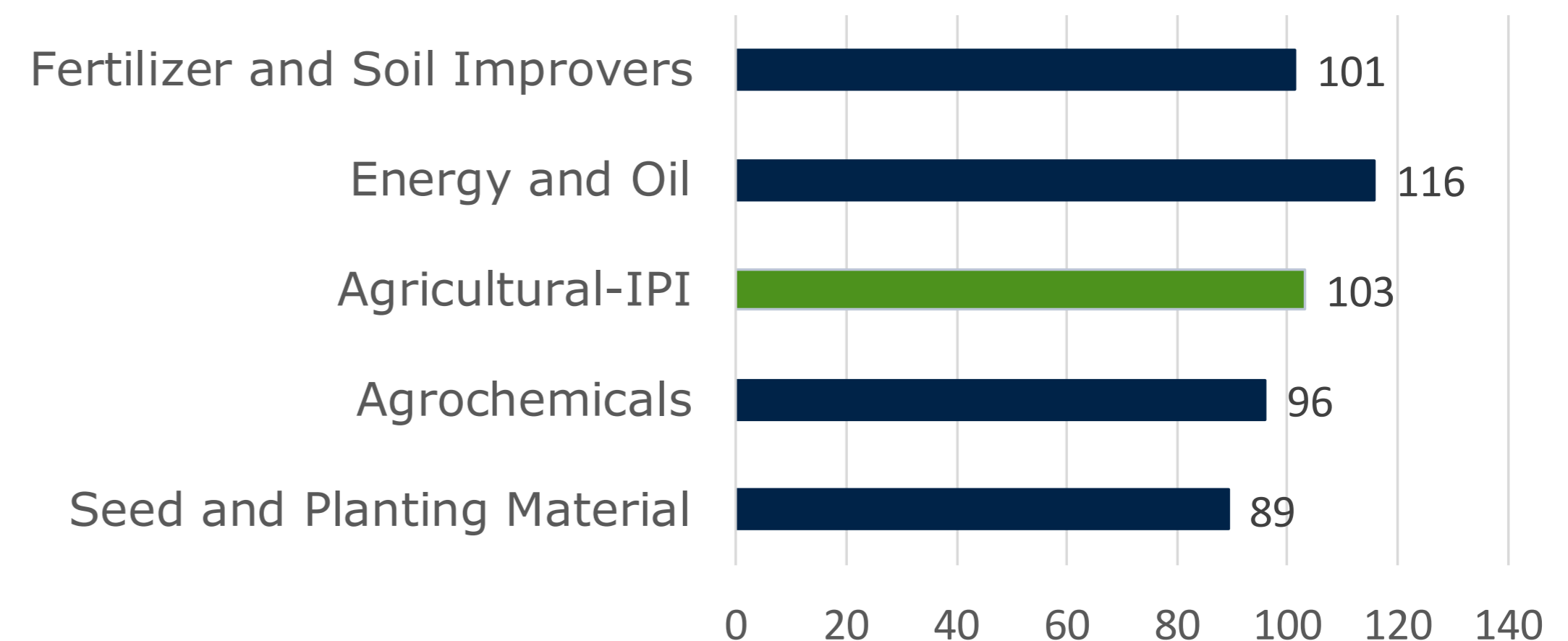
- According to the latest data, **in the first half of 2022 in the industry**, the amount paid by consumers for 1 kWh of electricity increased by **125%**, YoY. And reached an average of **217.4** kurus.

(Source: TURKSTAT)



Agricultural Input Price Index By Sub-groups

Annual Change Rate (%), December 2022

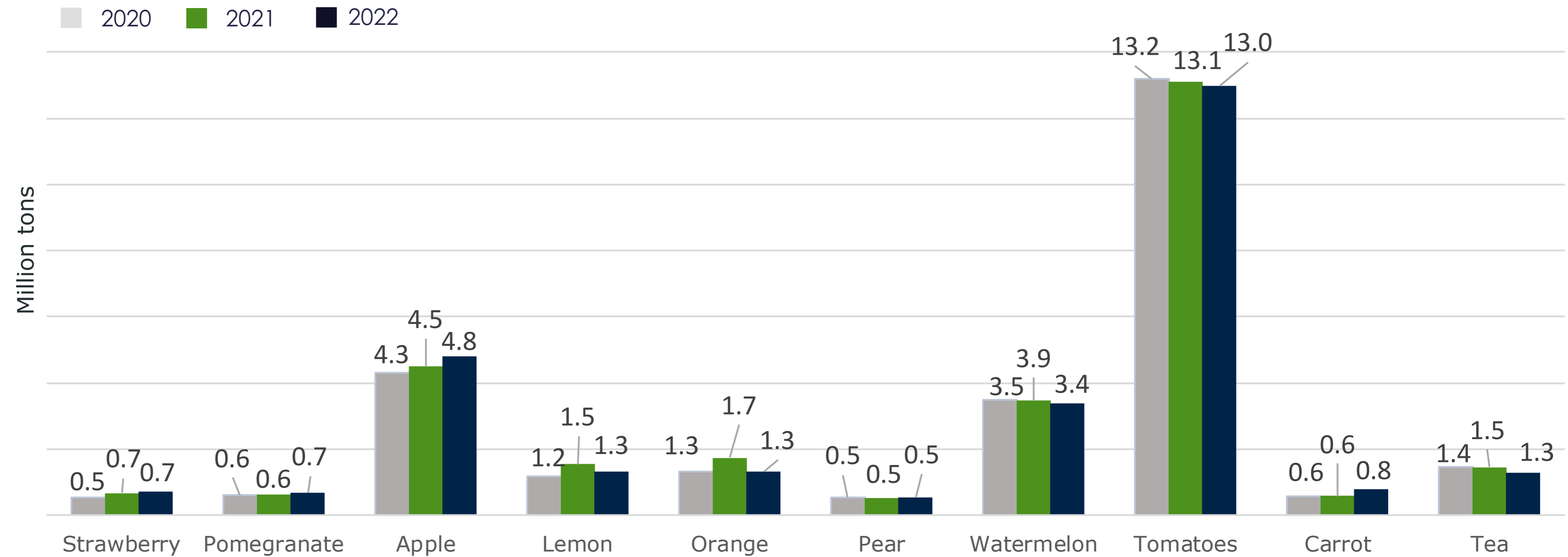


Market Dynamics

Production in Turkey

Production Data

With Selected Fruit and Vegetable Groups



(Source: TURKSTAT)

Operations

Agri Sourcing Business Unit in 2022

Sustainable Agricultural Projects

- Turkey's **largest scale organic strawberry project** was realized.

Organik Master Sertifikası

Konfrut AG has been gained the Organic Master Certificate as of September 2021.

Rainforest Alliance - RA Certification

Achieved to receive the Rainforest Alliance RA certificate in June 2022.

Organic Strawberry Project

- Contracted with farmers
- **6,000 hectares** cultivated land
- In Balıkesir, Çanakkale, Manisa and Konya
- Within the scope of the project, a total of **7.3 thousand tons** of organic strawberries were supplied.
- **In 2022 Farmers' Meetings**; Training support was provided to **320** farmers on agricultural issues.



Sustainable Tea Origination

- In 2022 tea harvest season; tea fiber sales of **23.9 million TL**
- In the season of 2022, **27% of the tea harvest** purchases were made **with RA certificate**.
- **«Tea Pelleting Facility»** was invested in Iyidere, Rize



Operations

Agri Sourcing Business Unit in 2022

Agri Sourcing Supply

- In 2022, **528k tons agri sourcing origination** was supplied by Konfrut AG.
- Within the scope of contracts; the Company supports the development of farmers by providing training on agricultural issues, in addition to the support for production.

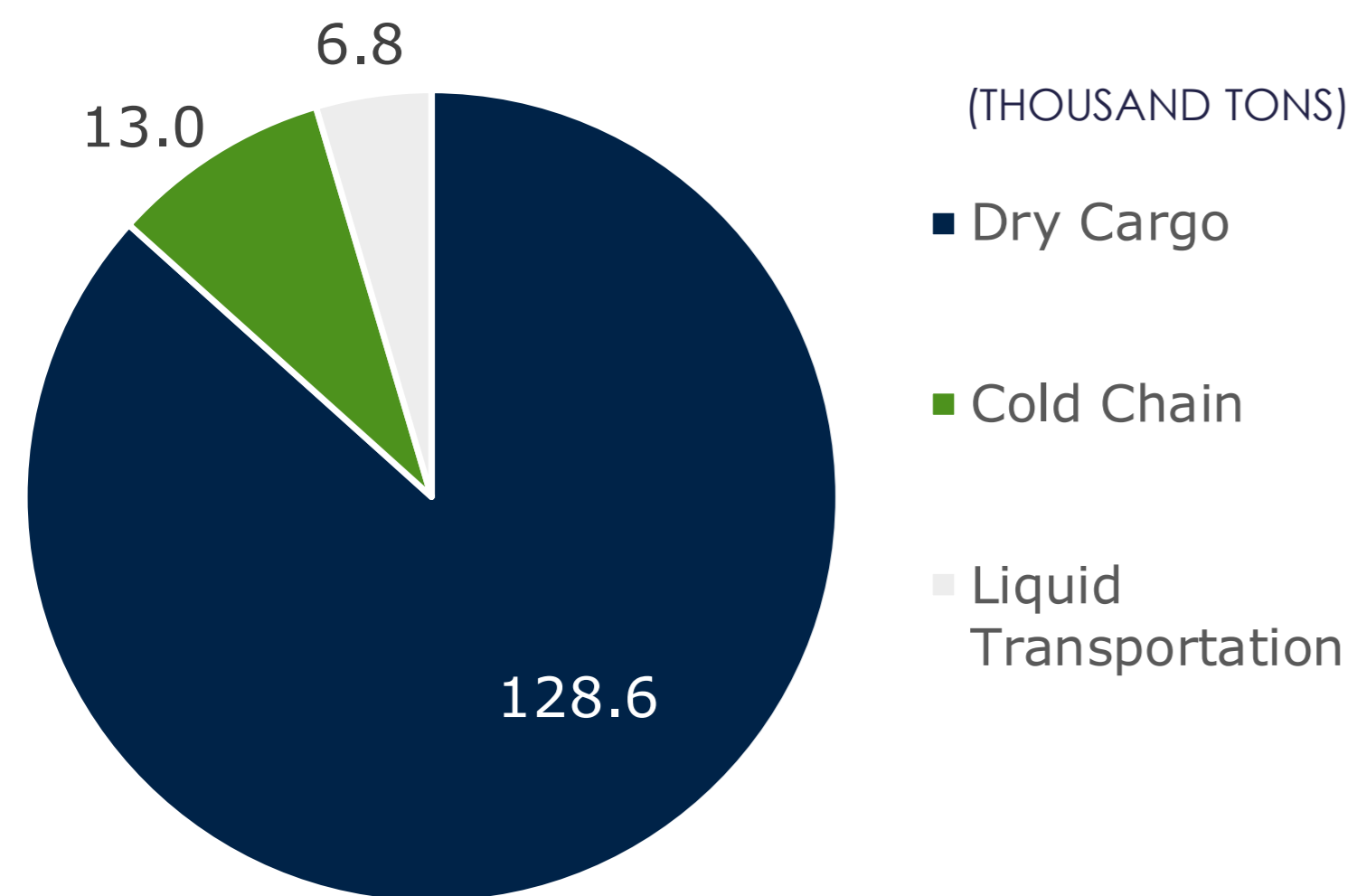


- More than **20** fruits and vegetables were provided under **contract farming with farmers**.
- **Tomato Supply; 122.3k tons** of supply was provided by under contracts with 68 farmers in 6 regions.
- Within the scope of **Fresh Fruit Trade**, **1,447 tons of apples**, **753 tons of apricots** and **464 tons of pomegranates** were sold.
- **In Agri Sourcing Input Channel**; 3.3k tons of fertilizer, 10 million strawberry seedlings and 3 tons of black carrot seeds were sold.

Operations

Logistics Business Unit in 2022

Distribution of Hauling Service Volume Basis



Storage and Logistics Operations

- Within the scope of Storage and Logistics activities, 148.4k tons of agri sourcing materials and industrial product transportation services were provided in 2022.



Agri Sourcing and Product Hauling

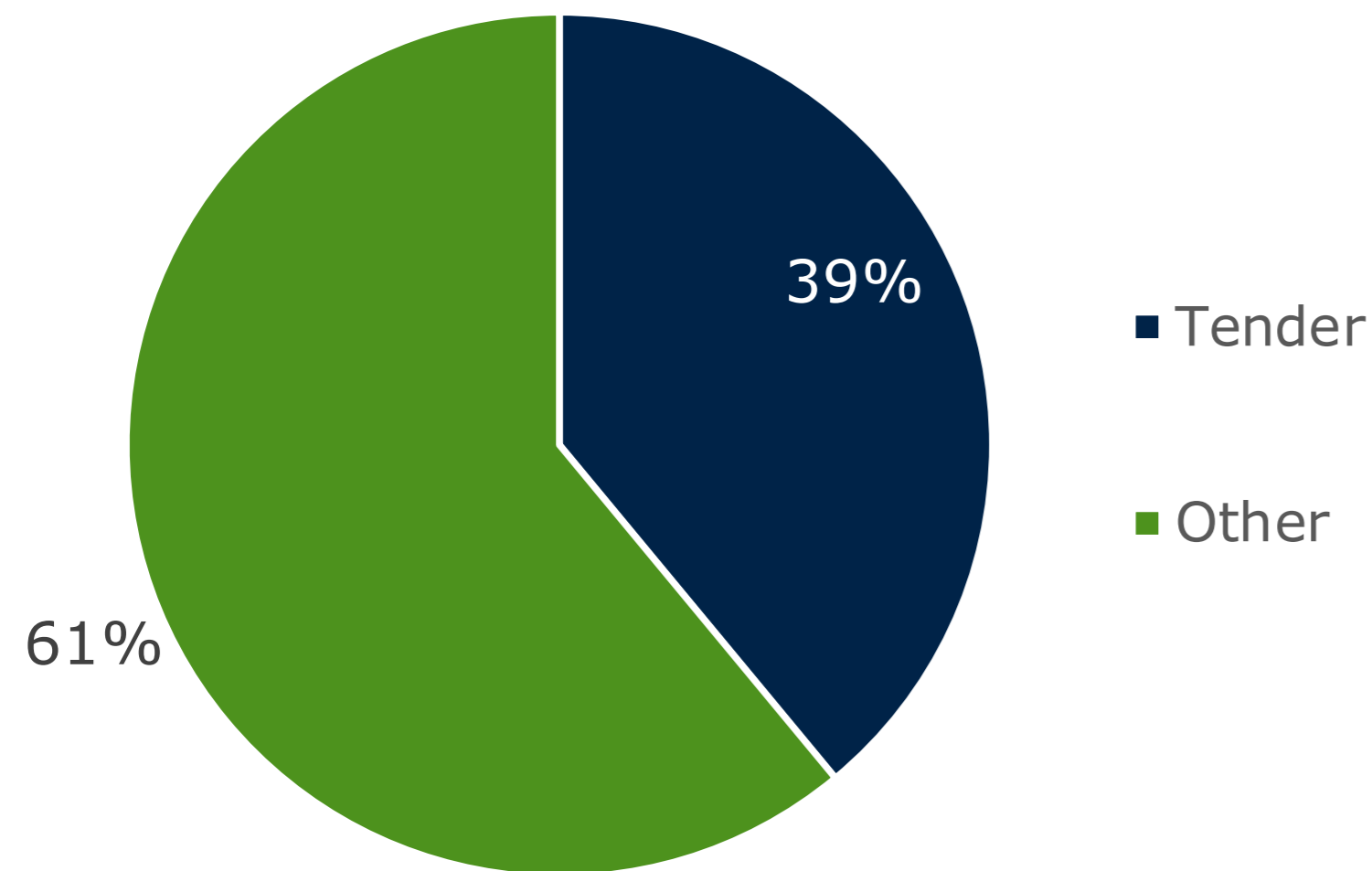
- By the end of the year, 31.1k tons of raw materials and products were transported by creating cost advantage with the tow truck, fiberglass and refrigerated trailer investments.



Operations

Industry Business Unit in 2022

Source of Manufactured Pallets



Industrial Products and Services

- **123,574** numbered pallet sales realized.
- With the **17,504 m³** forest tender, an advantage was gained in the cost of raw materials in pallet production.



Konfrut Gıda Fruit and Vegetables Process

- Concentrate and puree are produced in Denizli-Akkent Facility.



Investments

Focused on Konfrut AG's Investments Due to High Growth Potential. In 2022;



Storage and Logistics Investments

- **38.6 million TL** investment for tow trucks and special designed refrigerated trailer was realized for logistics operations.
- Cost advantage was achieved in the transportation of agri sourcing and products with the investment in a special designed fiberglass and a refrigerated trailer.
- Konfrut AG increased the number of its fiberglass to **105**.



Tea Pelleting Investment

- Located in Iyidere, Rize
- Started operations in June 2022.
- **5.1 million TL** investment
- **7,000 m²** indoor area
- **12,500 tons** annual process capacity



Digital Agriculture Investments

- For the latest technology, investments in software and hardware which include digital tracking in the field continue.
- Having the latest technology, **1 million TL** was invested for digital services in 2022.



(Image belongs to Agricultural Sensor Station, which provides data on weather, wind, temperature, soil moisture value, health of cultivated product.)

Developments in the 2022-Q4

Konfrut AG Continues to Diversify Its Product Portfolio and Initiatives.



Cereal Plant Group Products Added to Portfolio

- As of October 2022, Konfrut AG started to produce 850 tons grain in a suitable quality for malt production on an area of 1,400 decares in Konya Karapınar Region.



Procurement Begins in the Field of Renewable Energy

- In accordance with the zero waste principle, Konfrut AG will supply environmentally friendly renewable fuel to Biomass Power Plants by collecting wastes with high calorific value throughout Turkey through its extensive supply chain.



First Export was Realized.

- 1,200 tons of pomegranate export to a German retail chain, which is among the top 5 in Europe, started in November 2022 and expected to be completed until 2023-Q1.



Autumn – Winter Harvest Season

- Konfrut AG supplied black carrots, oranges, pomegranates, quinces, lemons and apples with the arrival of winter.
- The black carrot harvest of the Hatay region will begin with the start of the spring season and expected to continue with fruits such as strawberries and apricots.



Consolidated Financial Results

Year 2022

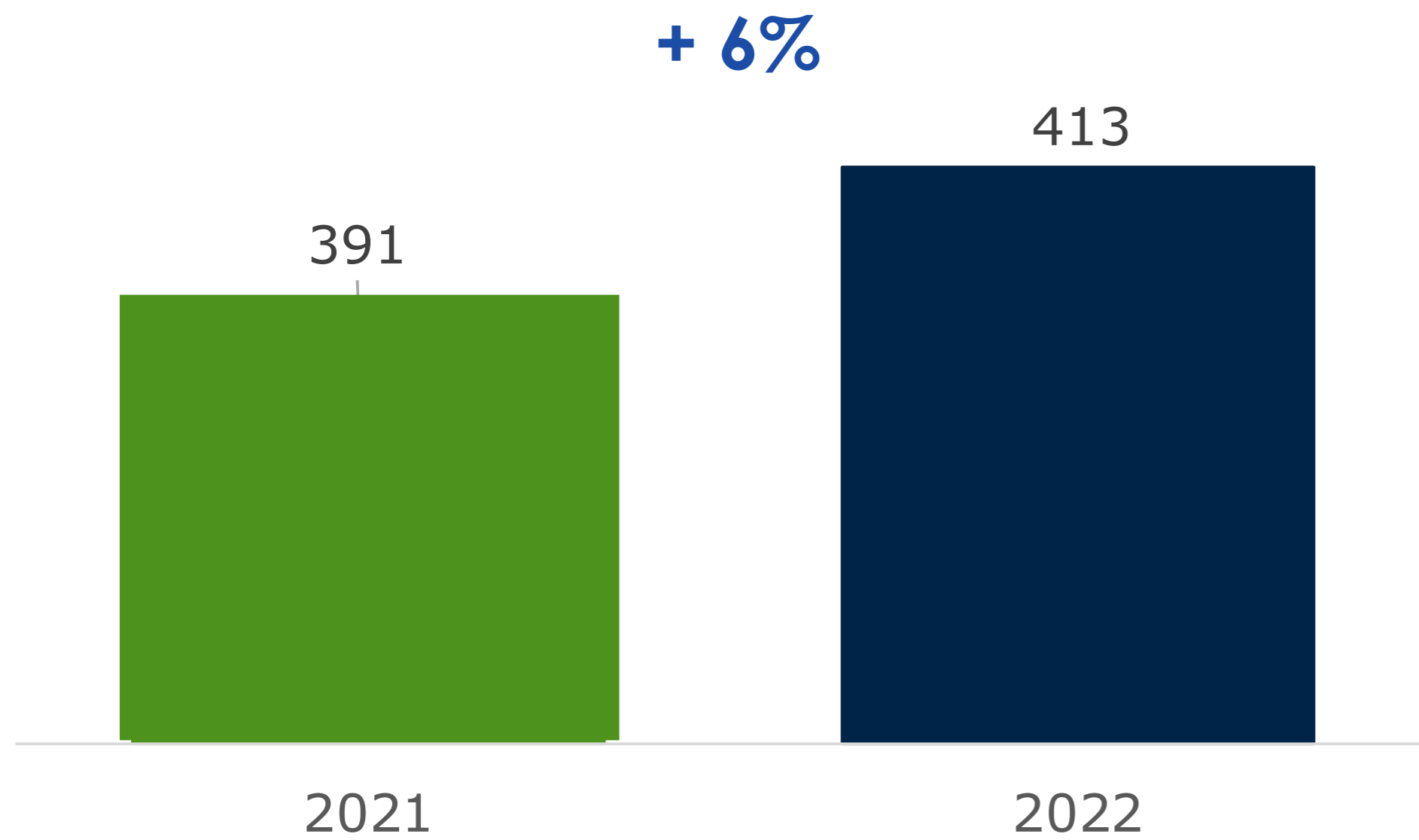
Net Sales Growth

Strong Growth in Volume and Turnover Basis

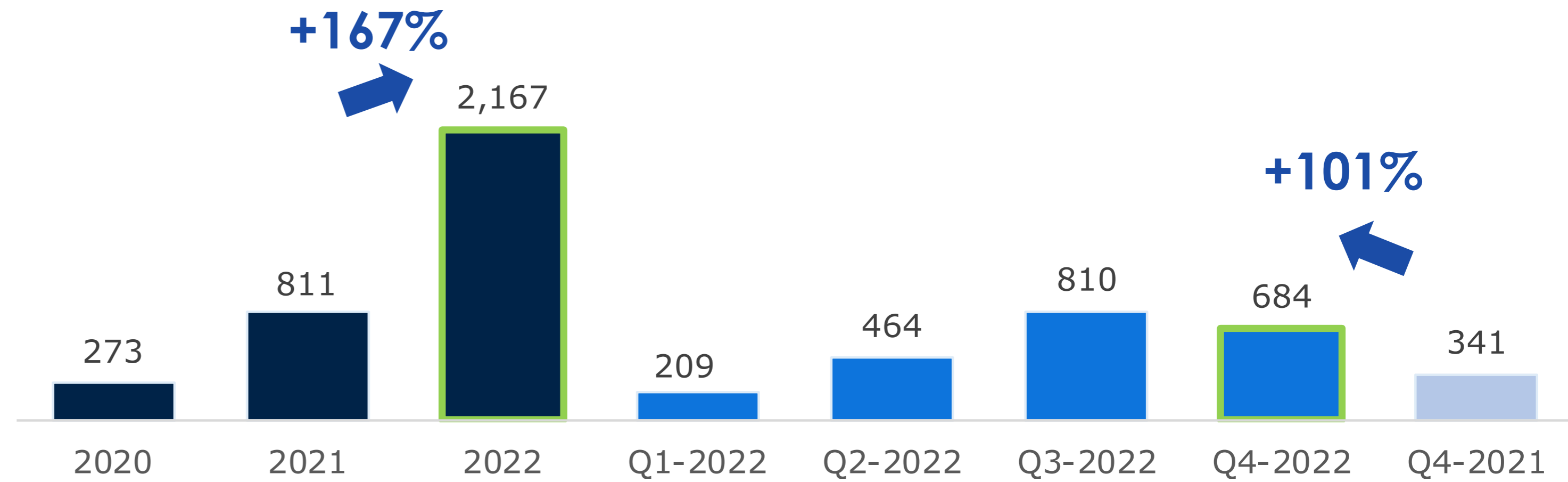
Net sales on a consolidated basis in 2022 compared to the last year;

- Increase **6%** in volume
- Increase **167%** turnover

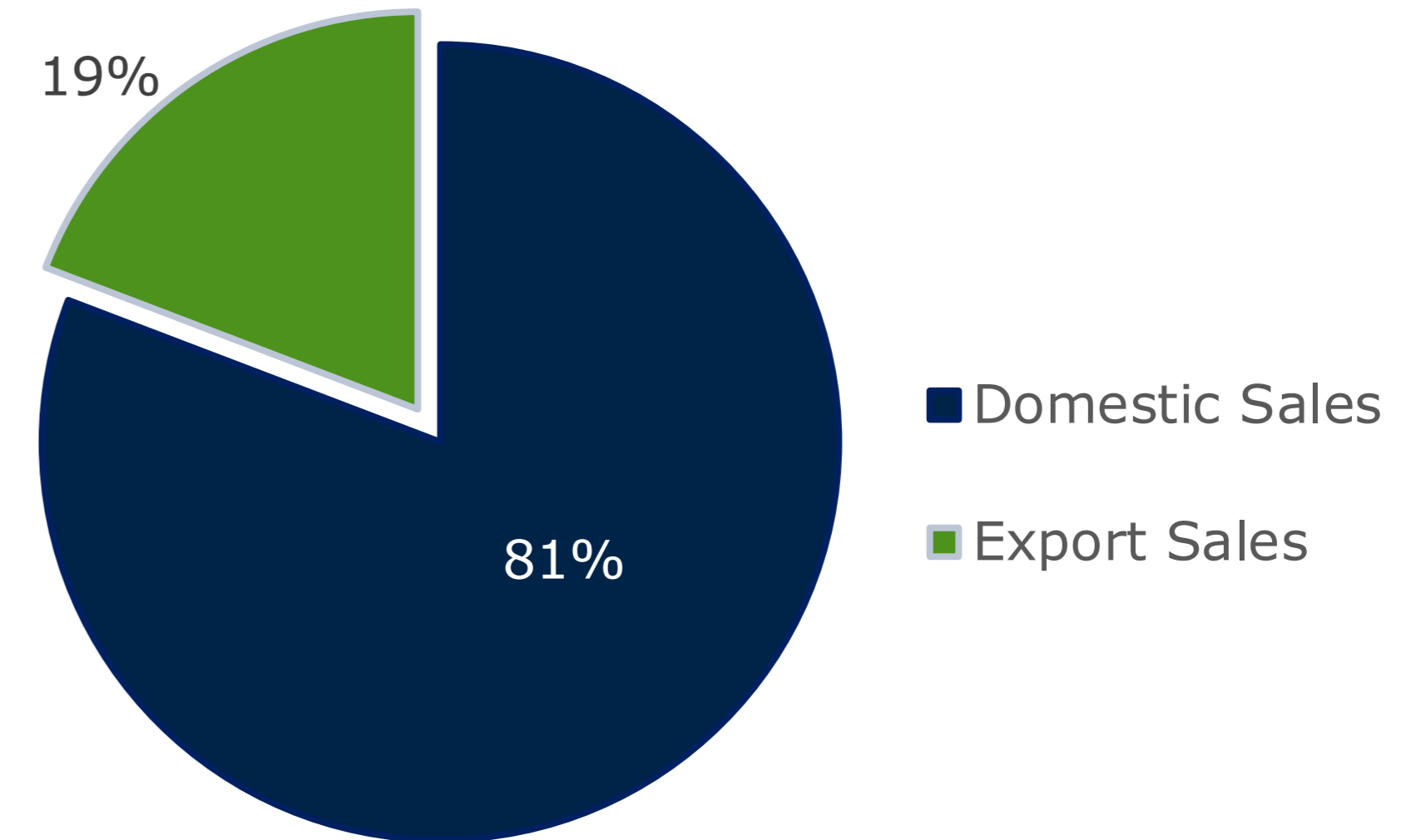
Sales Volume (000 Tons)



Net Sales (Million TL)



Channel Distribution (Million TL)



Profitability

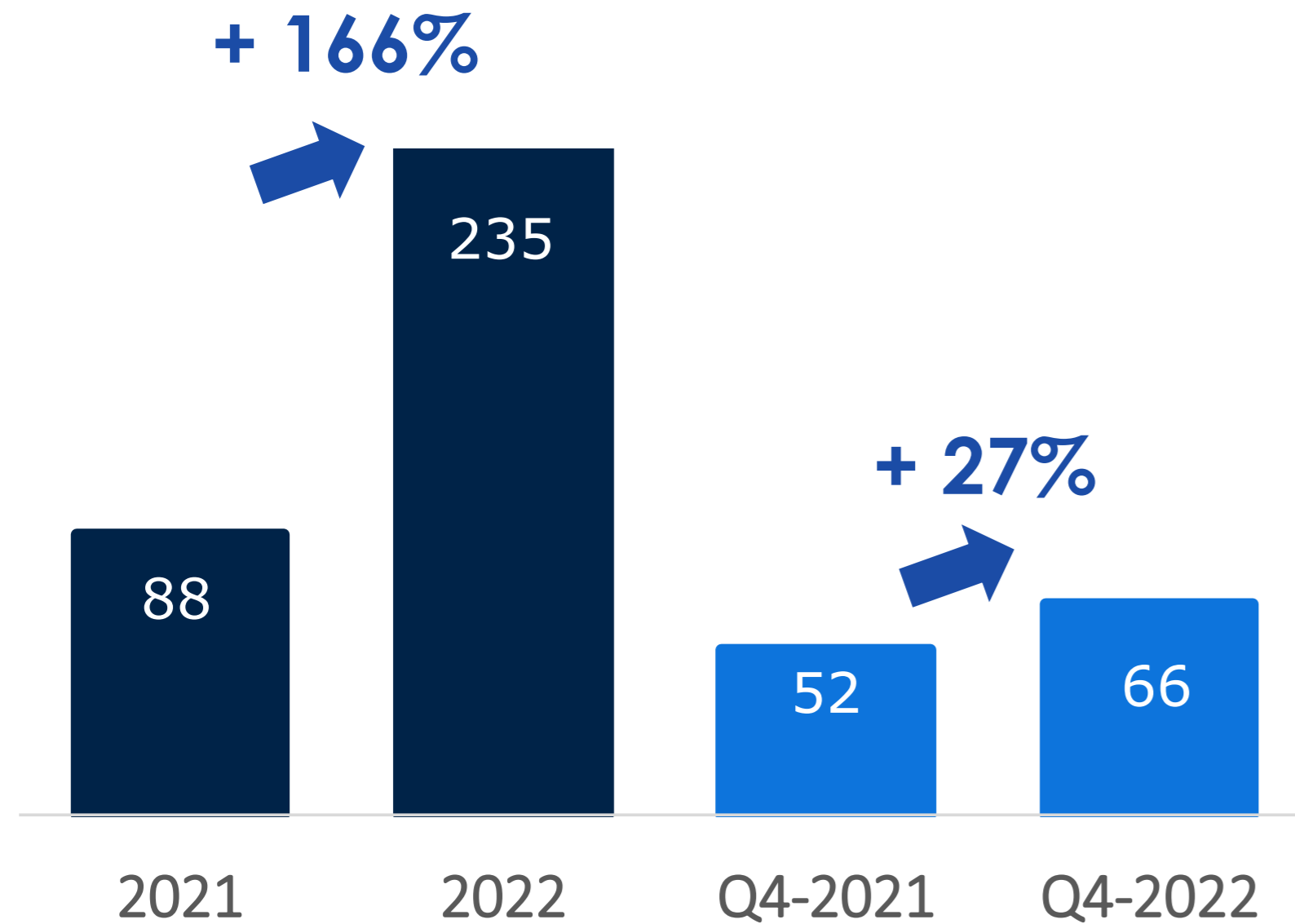
Increase in Gross and Operational Profit

In a year of cost increases, growth in turnover and recovery in operating expenses supported profit margins.

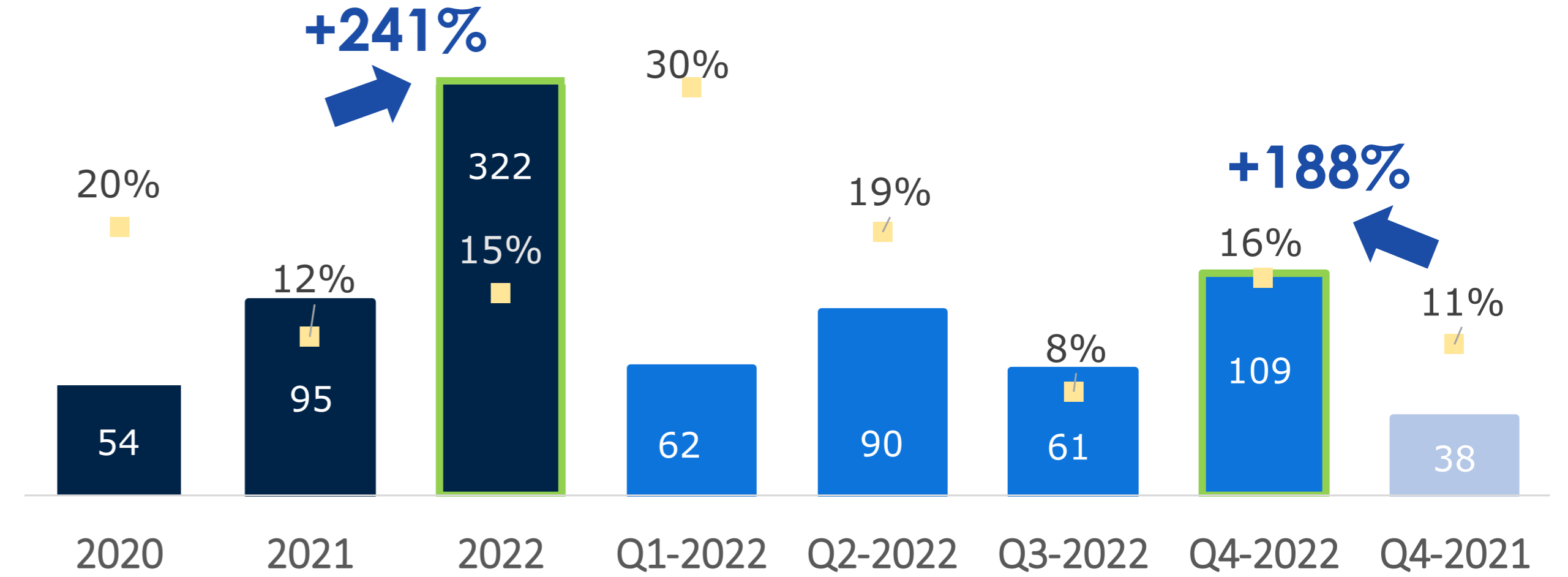
In 2022 EBITDA, YoY;

- Growth **272%**
- Also, EBITDA Margins realized **12%**, YoY.

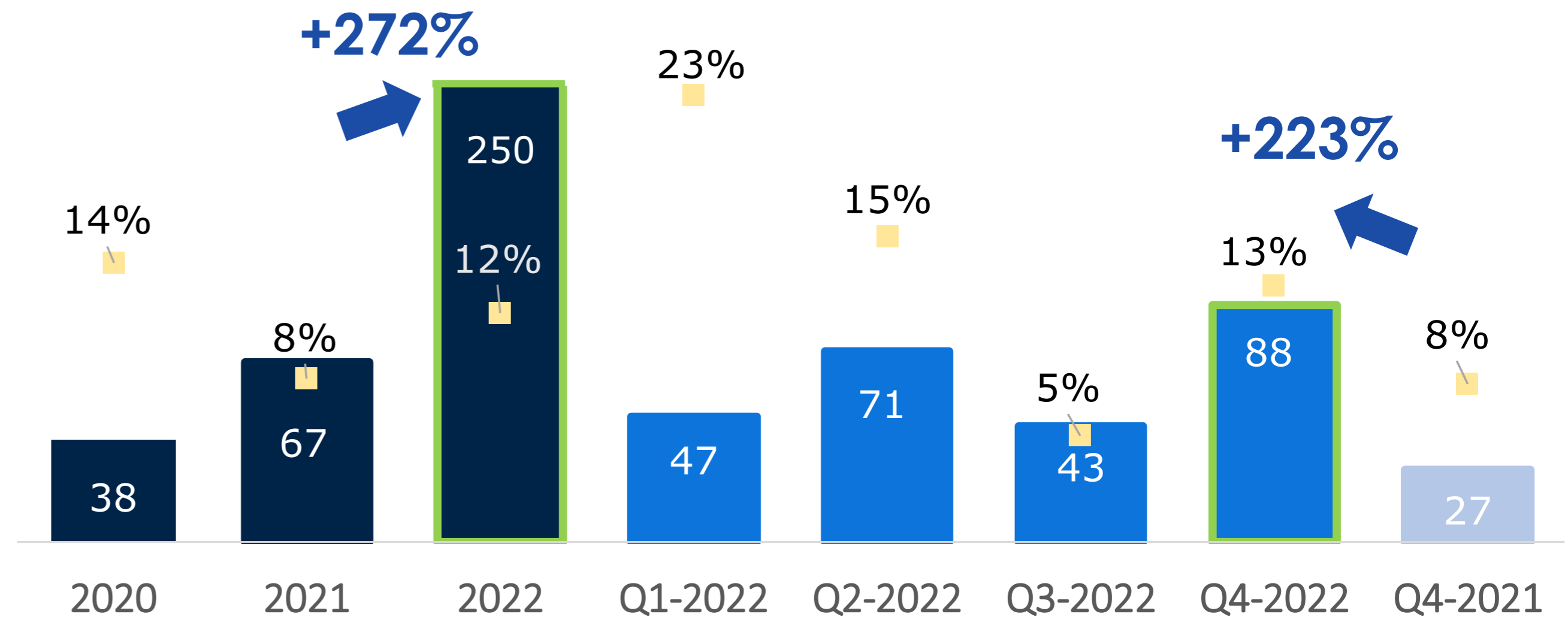
Operating Profit (Million TL)



Gross Profit and Gross Profit Margin (Million TL)



EBITDA and EBITDA Margin (Million TL)



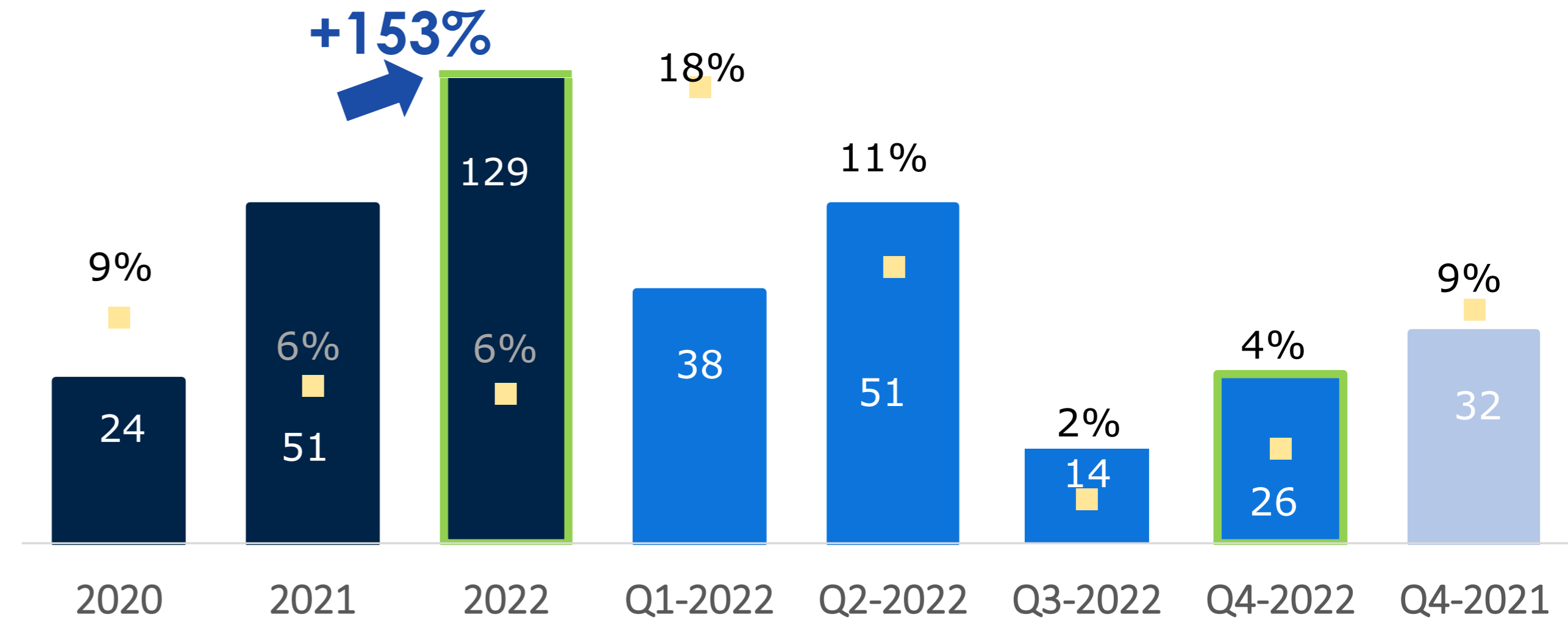
Profitability

Substantial Growth in Net Profit

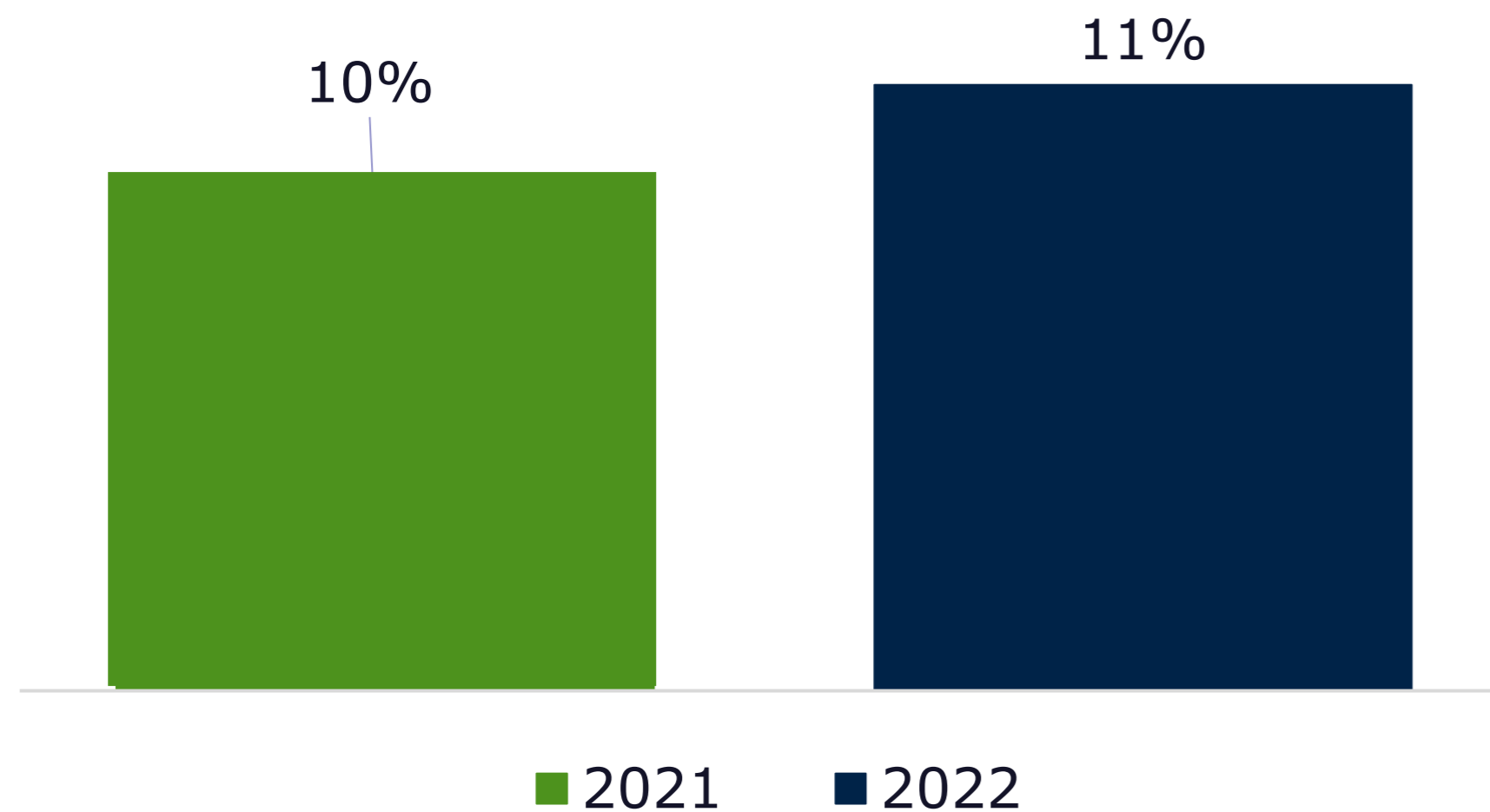
With Konfrut AG's growth potential and strong operational performance, its net profit grew by **153%** on a consolidated basis in 2022, YoY.

The company has a strong financial structure, its Return On Equity (ROE) rose **43%** in 2022.

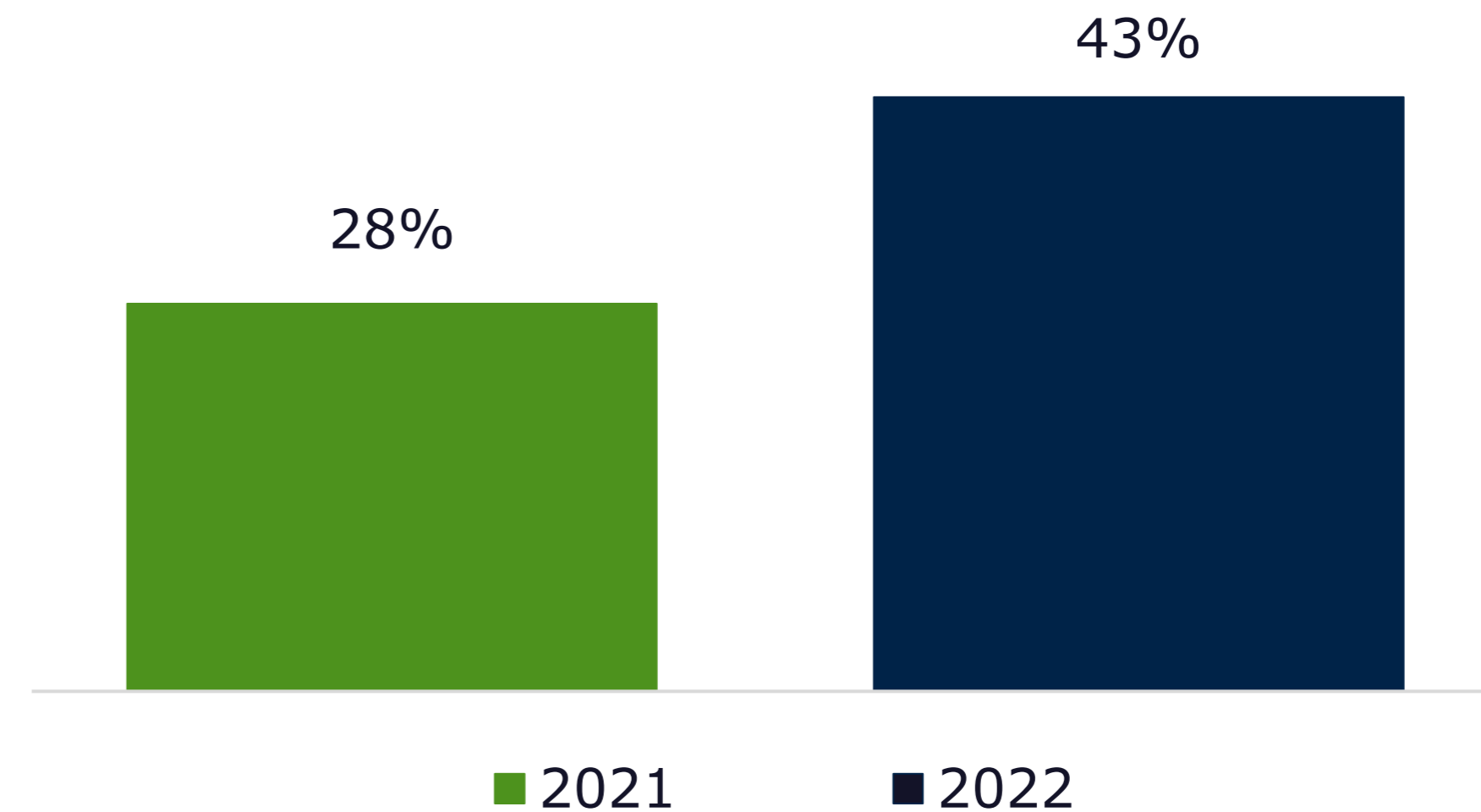
Net Profit and Net Profit Margin (Milyon TL)



Return on Assets



Return on Equity

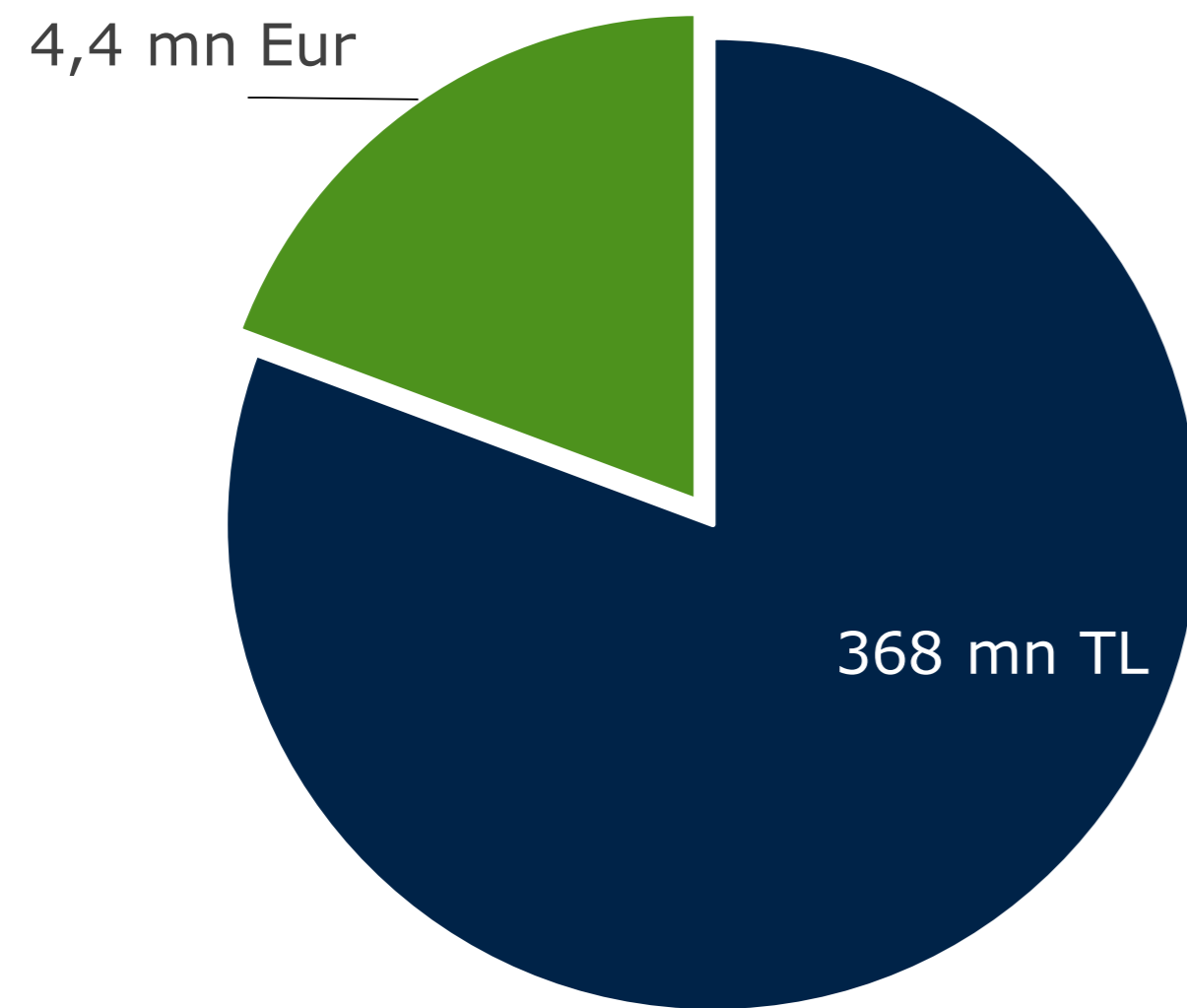


Investments and Liabilities

Growth Focused Investments

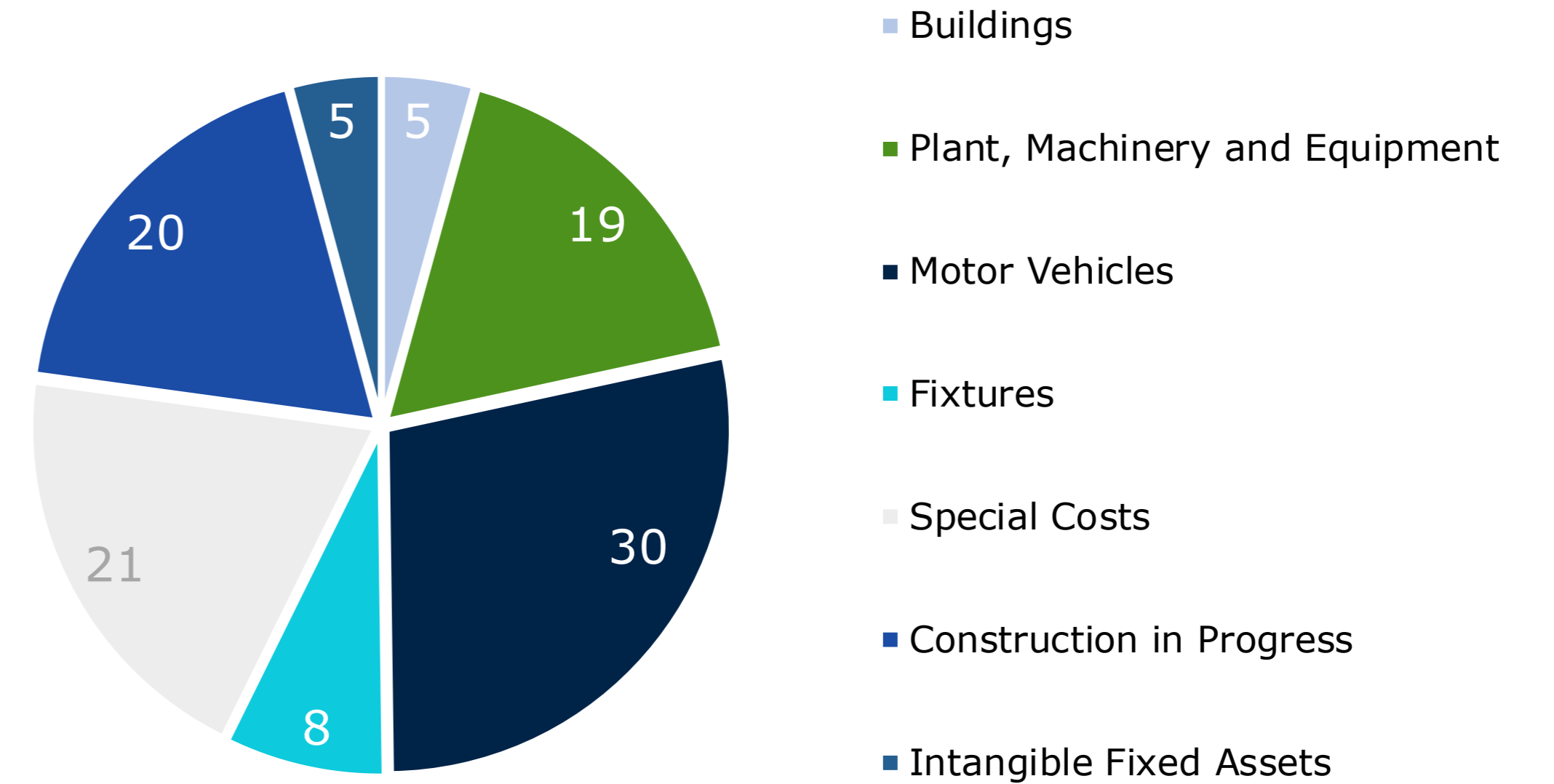
The company continues to grow and invest, and most of the investments are financed by financial loans.

Financial Debts Distribution



- **81%** of financial debts are in Turkish Lira.
- The company's bank loans are short-term.
- *Financial liabilities consist of financial loans and financial leasing liabilities.*

Investment Expenditures Distribution (Million TL)



- In 2022, **107.9 mn TL** was invested on a consolidated basis by **242%** rise, YoY.
- Within the scope of its logistics operations, Konfrut AG invested in a tow trucks and a special designed refrigerated trailer.

(Million TL)

	2019	2020	2021	2022
Investment Expenditures	12.3	15.2	31.5	107.9

Income Statement - Summary

(Million TL)

	2021	2022	Change	Change (%)	4Q-2021	4Q-2022	Change	Change (%)
Net Sales	811.4	2,167.2	1,355.7	167.1%	340.8	684.0	343.2	100.7%
Cost of Sales	(716.9)	(1,845.2)	(1,128.3)	157.4%	(303.0)	(575.4)	(272.4)	89.9%
Gross Profit	94.5	321.9	227.4	240.5%	37.8	108.6	70.9	187.5%
General Administrative Expenses	(15.7)	(32.7)	(17.0)	107.8%	(4.4)	(10.0)	(5.6)	125.0%
Marketing Expenses	(20.8)	(58.0)	(37.1)	178.2%	(8.9)	(17.2)	(8.3)	93.1%
Operating Profit	58.0	231.3	173.3	299.0%	24.4	81.4	57.0	233.3%
EBITDA	67.3	250.0	182.7	271.7%	27.3	88.3	61.0	223.2%
Other Income/Expenses (Net)	36.8	18.7	(18.1)	-49.2%	27.9	(9.1)	(36.9)	-132.5%
Financial Income/Expenses (Net)	(35.1)	(88.5)	(53.4)	151.9%	(12.3)	(36.0)	(23.7)	191.8%
Profit Before Tax	59.7	161.4	101.8	170.6%	40.0	36.4	(3.6)	-9.0%
Tax	(8.9)	(32.9)	(24.0)	268.3%	(8.3)	(10.8)	(2.4)	29.0%
Net Profit for the Period	50.7	128.5	77.8	153.4%	31.6	25.6	(6.0)	-19.1%

Balance Sheet - Summary

(Million TL)

	31.12.21	31.12.22	31.03.22	30.06.22	30.09.22
Current Liabilities	589.5	1,233.5	729.3	879.7	1,210.7
Cash and Cash Equivalents	3.5	3.5	13.6	7.9	21.3
Trade Receivables	167.0	326.7	286.1	316.4	408.6
Inventories	276.7	568.6	278.8	275.5	448.6
Non-Current Assets	97.3	199.7	97.7	118.7	172.9
Total Assets	686.8	1,433.2	827.0	998.4	1,383.6
Current Liabilities	467.5	1,006.0	569.7	690.2	1,056.3
Short Term Financial Borrowings	55.1	387.6	58.8	211.3	217.0
Trade Payables	304.1	425.7	190.0	206.2	458.5
Long Term Liabilities	9.6	79.6	10.4	10.7	16.8
Equity	209.7	347.6	246.9	297.6	310.5
Total Equity	686.8	1,433.2	827.0	998.4	1,383.6
Net Financial Borrowings	54.5	452.3	48.1	206.2	202.2

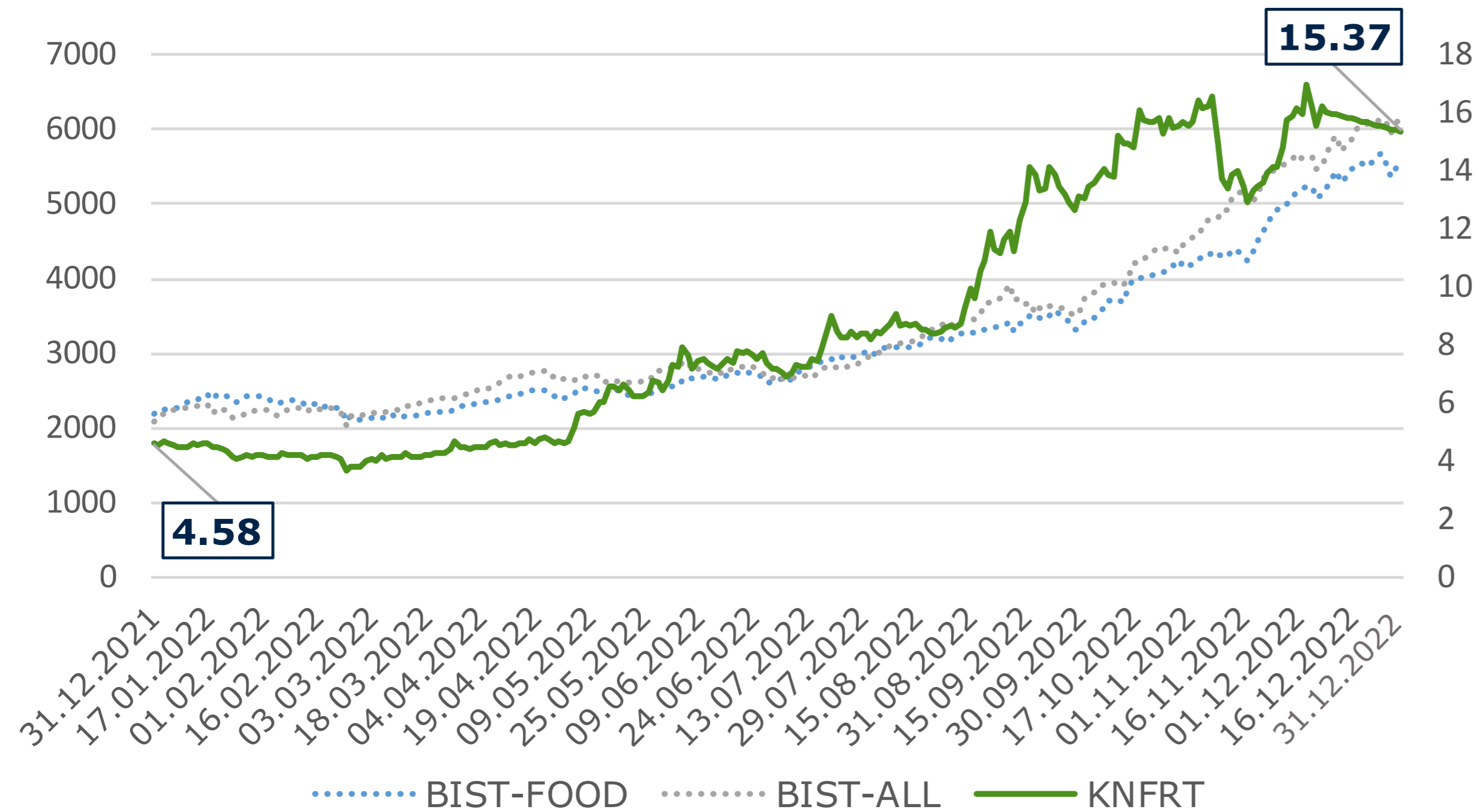
Financial Ratios

(Million TL)

	2020	2021	2022
Gross Profit Margin	20%	12%	15%
EBITDA Margin	14%	8%	12%
Net Profit Margin	9%	6%	6%
Current Ratio	1.33	1.26	1.23
Acid Test Ratio	0.71	0.67	0.66
Short-Term Financial Borrowings/Total Financial Borrowings	1.00	0.95	0.85
Net Financial Borrowings/Equity	0.31	0.26	1.30
Return on Assets (ROA)	6%	10%	11%
Return on Equity (ROE)	15%	28%	43%

Stock Performance

Konfrut Stock Price Developments



Public Offering Date	June 10, 1996
Issued Capital	TL 132,000,000
Ticker Symbol	KNFRT
Free Float Rate	22.39%
Stock Price TL (December 31, 2021 - December 31, 2022)	4.58 - 15.37
Market Value	TL 2,028,840,000
Stock Price Change in 2022	+236%
Market in Borsa Istanbul	Main Market
BIST Market where Company's Capital Market Instruments are Traded	BIST-INDUSTRIALS BIST-DENIZLI BIST-PARTICIPATION BIST-FOOD AND BEVERAGE

*The graph and table demonstrate the year end closing share price in comparison with BIST-ALL and BIST-FOOD Index.

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