



Konfrut Investor Presentation

2023-Q1 Financial Results



Contents

- Highlights
- Konfrut AG at a Glance
- Market Overview
- Market Dynamics
- Operations
- Investments
- Developments in the 2023-Q1
- Consolidated Financial Results
- Stock Performance



Highlights

In the first quarter of the year, Konfrut AG's business processes and investments were focused on due to its high growth potential. In 2023-Q1;



Cooperation agreement was signed with the seedling production facility, which has 150 million unit seedlings annual production capacity.



The new pelleting line, which is in the tea fiber pelleting facility in Iyidere, Rize, installation has been completed and started to work in the first quarter of the year.



Konfrut AG combines agriculture with high technology and the Company has started to apply drone spraying technology, which provides significant cost advantages and savings.



Consolidated net sales grew by 75%, YoY. The growth was driven by increased sales tonnage and prices.

5.1 million ₺
Investments



241
Number of Employees



365.4 million ₺
Net Sales

75%
Net Sales Growth

68.1 million ₺
EBITDA

45%
EBITDA Growth

**Consolidated
Financial
Summary for
2023-Q1**

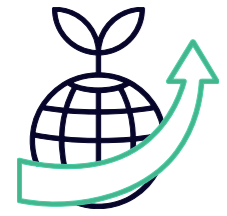
Compared to December 31, 2022

36.7 million ₺
Net Profit

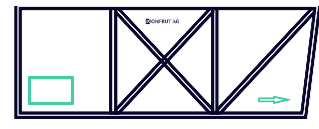
1.2 billion ₺
Total Assets

379.8 million ₺
Total Equity

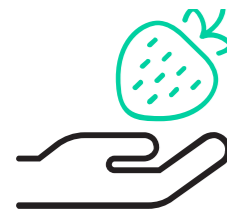
Konfrut AG at a Glance



Leading the Agricultural Transformation



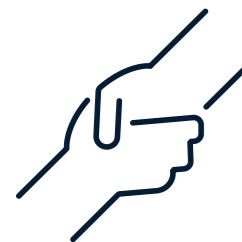
The only one company in Turkey which has 105 numbered fiberglass tanks



Turkey's largest scale organic strawberry project



Bringing agriculture together with modern equipment and high technologies



Strong and strategic cooperations



Main Business Units

Agri Sourcing and Services

In 2023-Q1;
42,546 tons
Agri Sourcing Supply

Approximately
40K decares
Contracted Agricultural Areas

Logistics

36,758 tons
Transported Raw
Material and Products

130+ Numbered Vehicle and
Equipment Fleet*
** Including tractor, trailer, fiberglass, forklift,
trailer, tow truck.*

Industry

24,413 Number of
Palet Sales

17,504 m³
Forest Tender

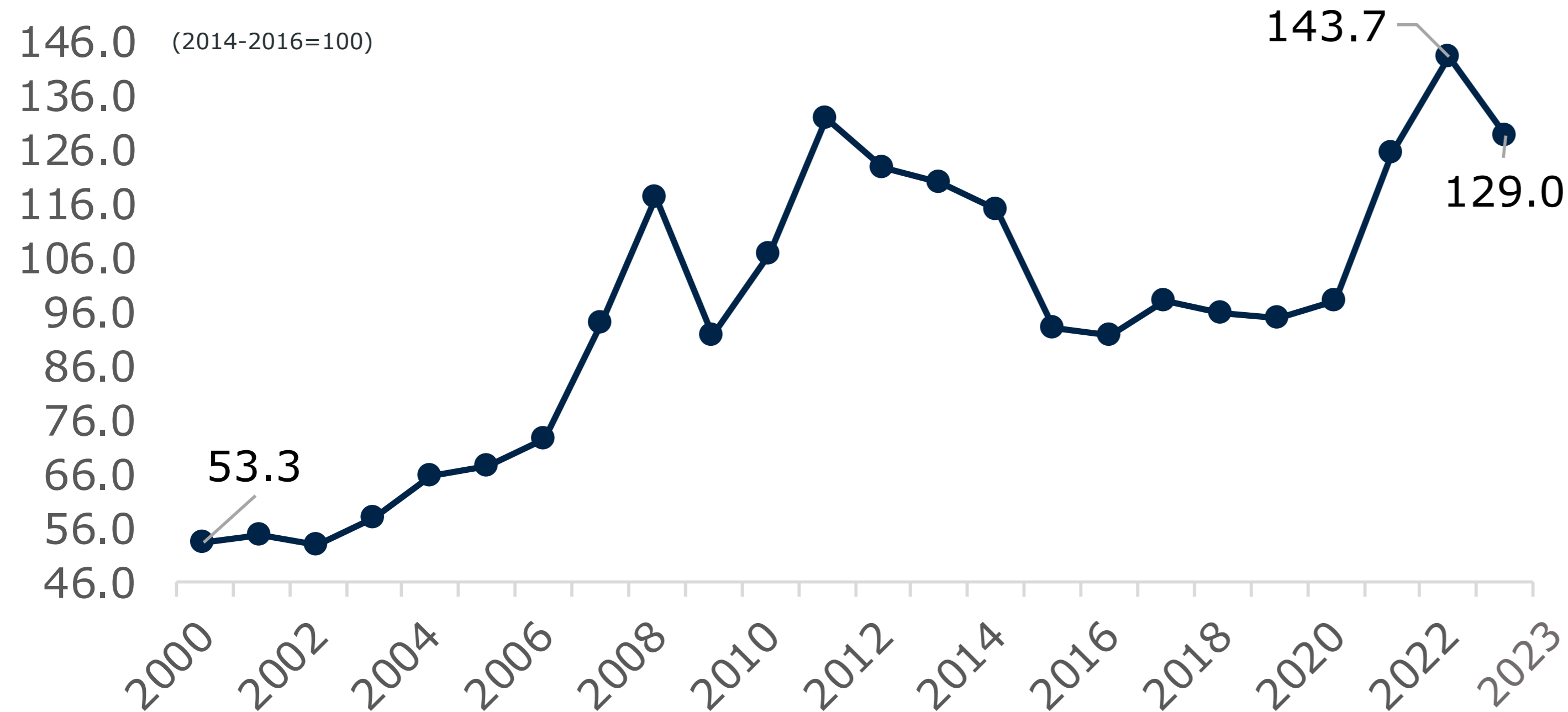
As Konfrut AG, we target to be the leading agricultural transformation company where we improve people's lives and help to conserve the planet using technology and sustainable practices.

We are aiming to become the first end-to-end, digital agri supply chain company with zero-waste principle in its DNA.

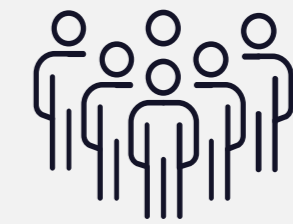
Market Overview

Importance of Agriculture Sector and Global Food Prices

Food Price Index, World (Annually)

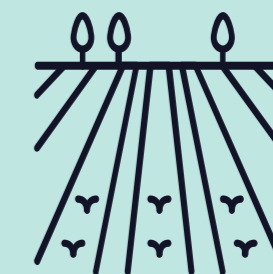


- **The FAO World Food Price Index** has peaked due to the impact of the COVID-19 pandemic restrictions on supply chains and the effects of the war with Russia and Ukraine, which have a significant share in global grain trade. Then, **in March 2023, the Index decreased by 2.2% on average compared to the previous month.** Thus, the Index has decreased for twelve consecutive months since it reached to peak a year ago.
- In March 2023, the Index decreased by **20.5%**, YoY. The decline in the prices of grain, vegetable oil and milk was effective in the Index fall in March. In addition, sugar and meat prices rose in the same period.



It is expected that the world population will reach **9.7 billion** by 2050.

2019



2020

Agricultural land declined by **-127 million ha**

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.

(Source: FAO)

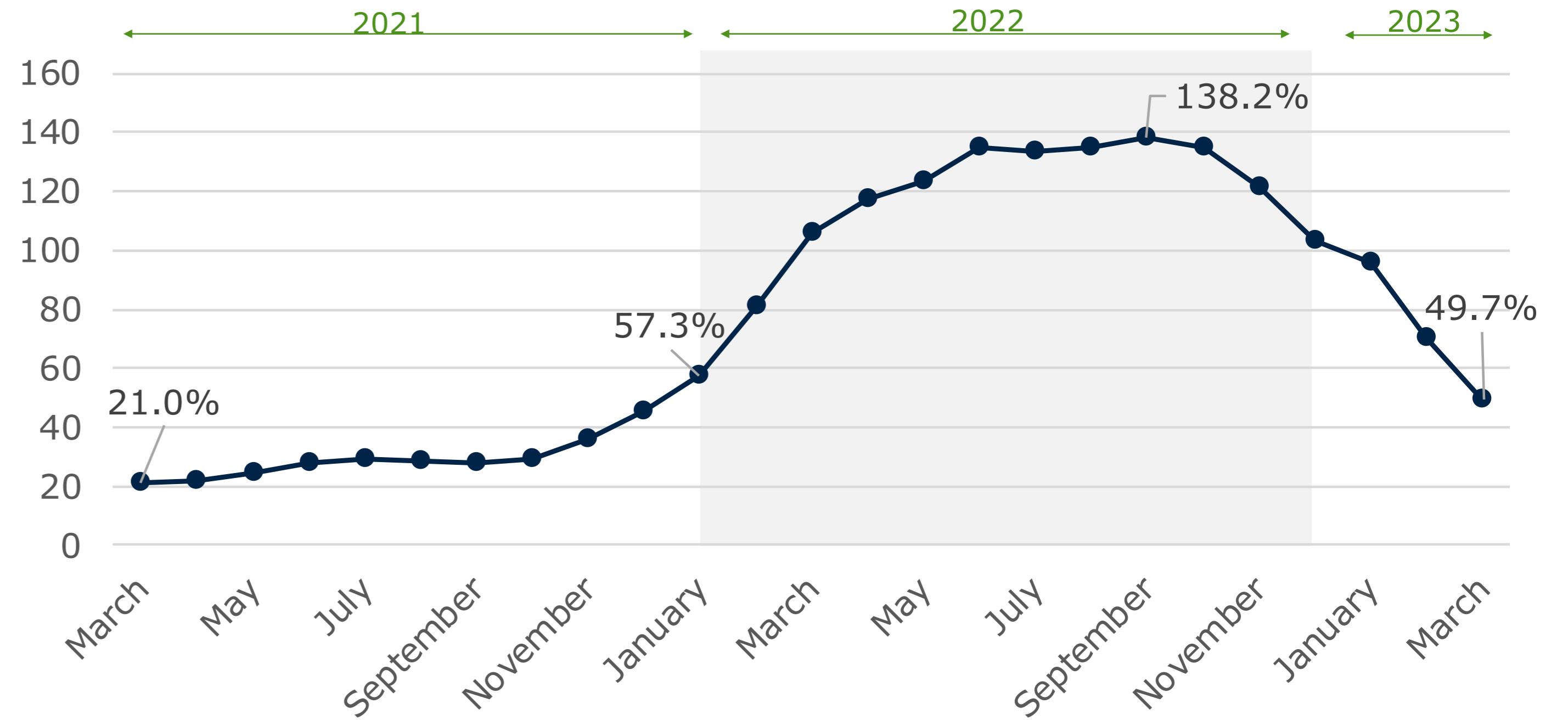
Market Dynamics

Production and Cost in Turkey

Agricultural Input Price Index

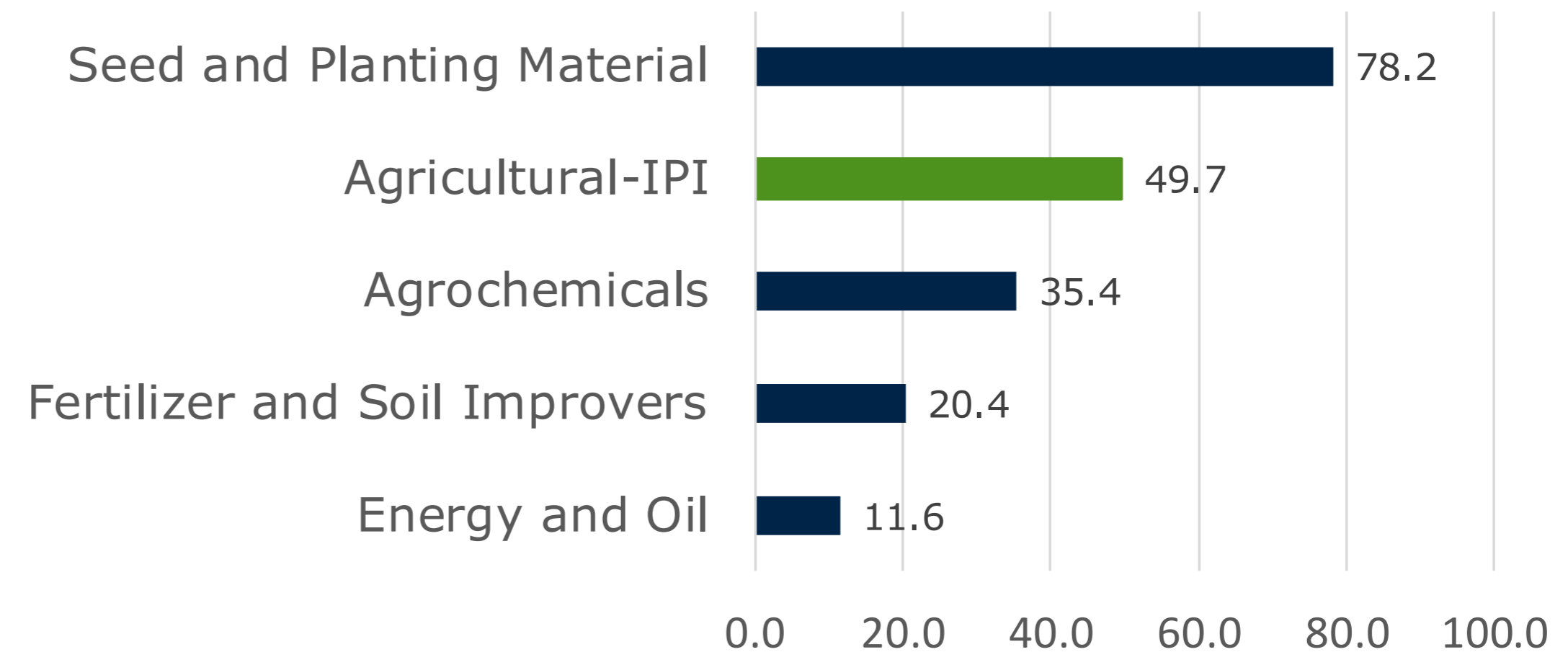
Annual Change Rate (%), March 2023

- **Agricultural Input Price Index** rose by **+49.7%** in March 2023, YoY. It increased by **106.8%** compared to the average of the last twelve months.
- With **11.6%** and **20.4%** ratios, **energy and oil** and **fertilizer and soil improvers** subgroups are among the lowest annual increase subgroups. (Source:TURKSTAT)
- In 2023-Q1, **annual inflation in food and non-alcoholic beverages declined** due to the inflation of fresh fruits and vegetables. Annual inflation in food items excluding fruits and vegetables remained relatively high. (Source: CBRT Inflation Report 2023-II)



Agricultural Input Price Index By Sub-groups

Annual Change Rate (%), March 2023

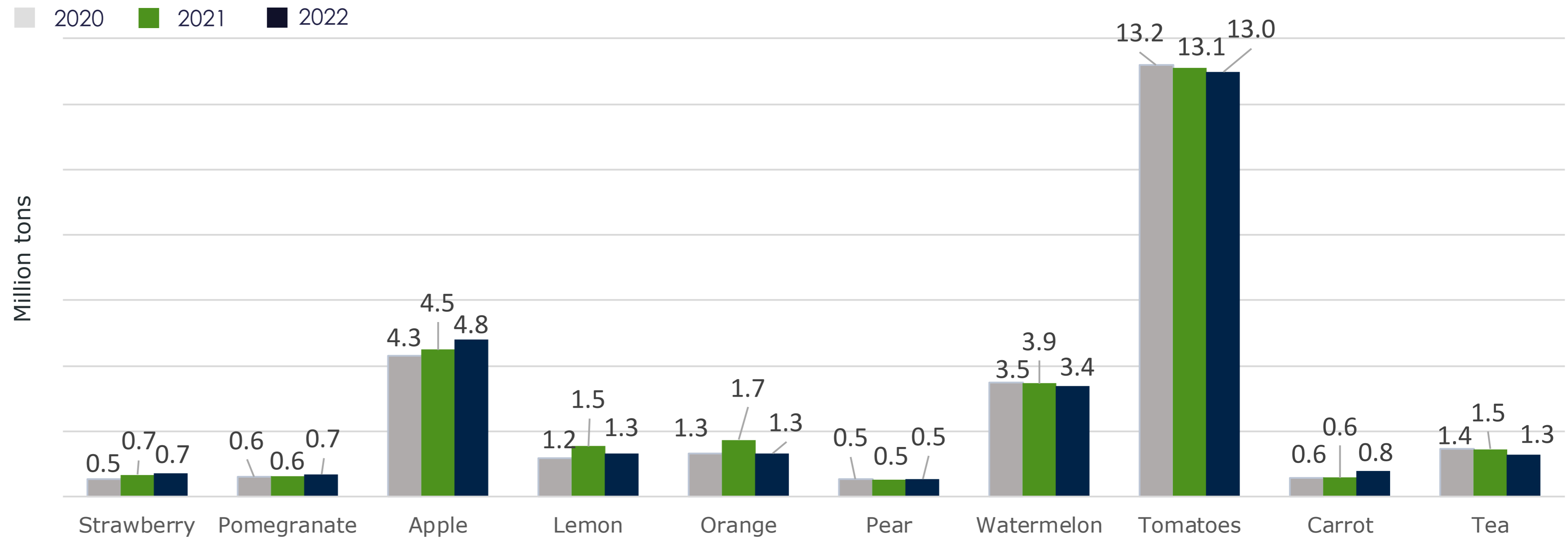


Market Dynamics

Production in Turkey

Production Data

With Selected Fruit and Vegetable Groups



(Source: TURKSTAT)

Operations

Agri Sourcing Business Unit in 2023-Q1

Agri Sourcing Supply

- In 2023-Q1, **42,546 tons agri sourcing origination** was **supplied** by Konfrut AG.
- Konfrut AG, which has implemented **Turkey's largest scale organic strawberry project**, has completed all its preparations for the 2023 strawberry season.



- **Within the scope of contracted agriculture with farmers**, many different kinds of fruits and vegetables were provided, especially black carrots, apples and pomegranates.
- **Within the scope of the organic strawberry project**, product sales from existing contracts continued in 2023-Q1. During the period, 141 tons of products were sold.
- **Within the scope of Agri Sourcing Supply, 18 thousand tons of black carrots and 8 thousand tons of apples** were supplied.
- **In Fresh Fruit Trade; 772.9 tons of pomegranates and 24.3 tons of apples** were sold.
- **In Agri Sourcing Input Channel; 1,400 tons of fertilizer** were sold.
- **Tea fiber sales; TL 14.4 mn**

The National Organic Programme Certificates

Konfrut AG has successfully completed the audits and awarded the NOP Certificate within the scope of European Union and American organic standards for the first time.

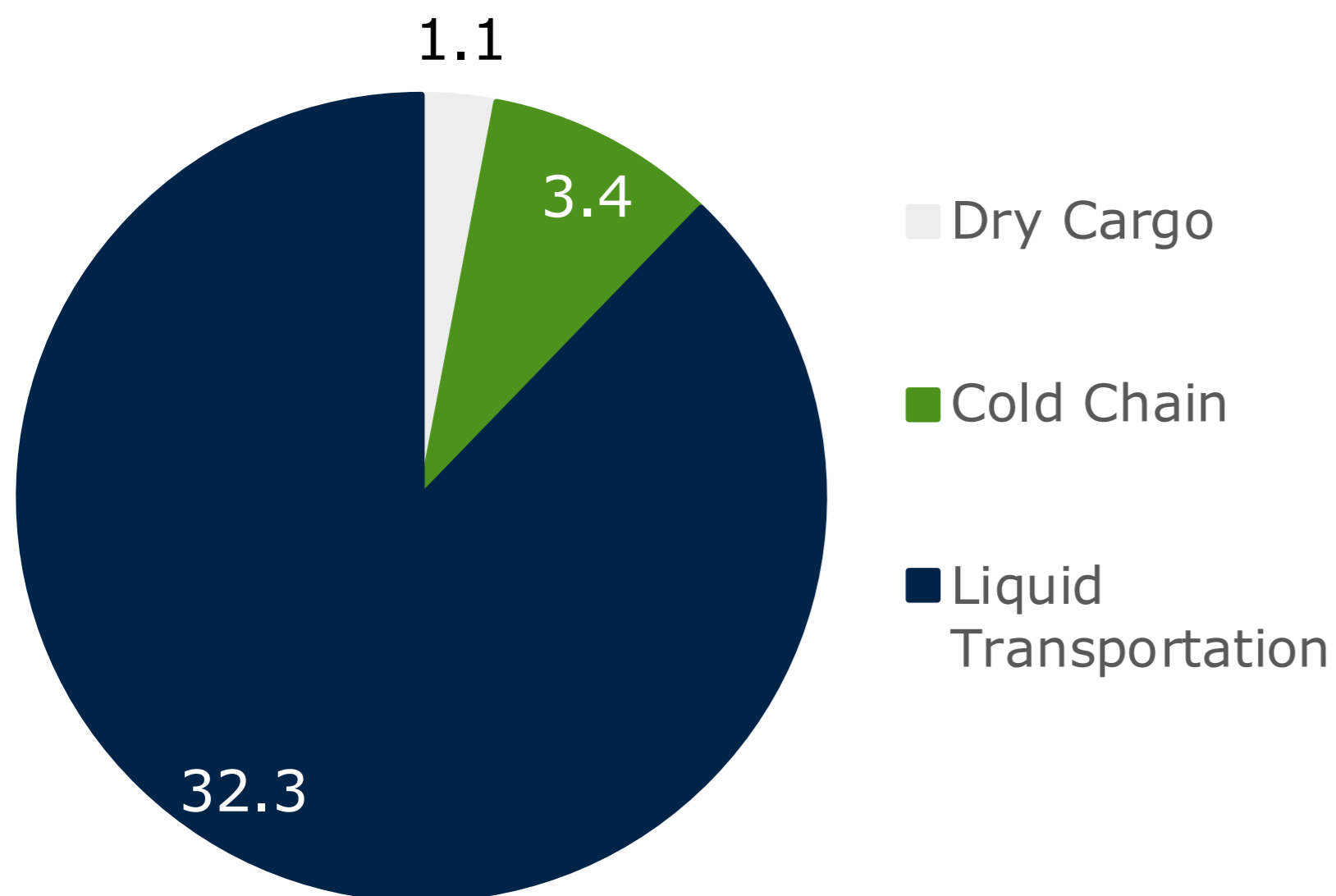
Konfrut AG Certificates



Operations

Logistics Business Unit in 2023-Q1

Distribution of Hauling Service Volume Basis (Thousand Tons)



Storage and Logistics Operations

- Within the scope of Storage and Logistics activities, **36,758 tons** of agri sourcing materials and industrial product transportation services were provided in the first quarter.



Agri Sourcing and Product Hauling

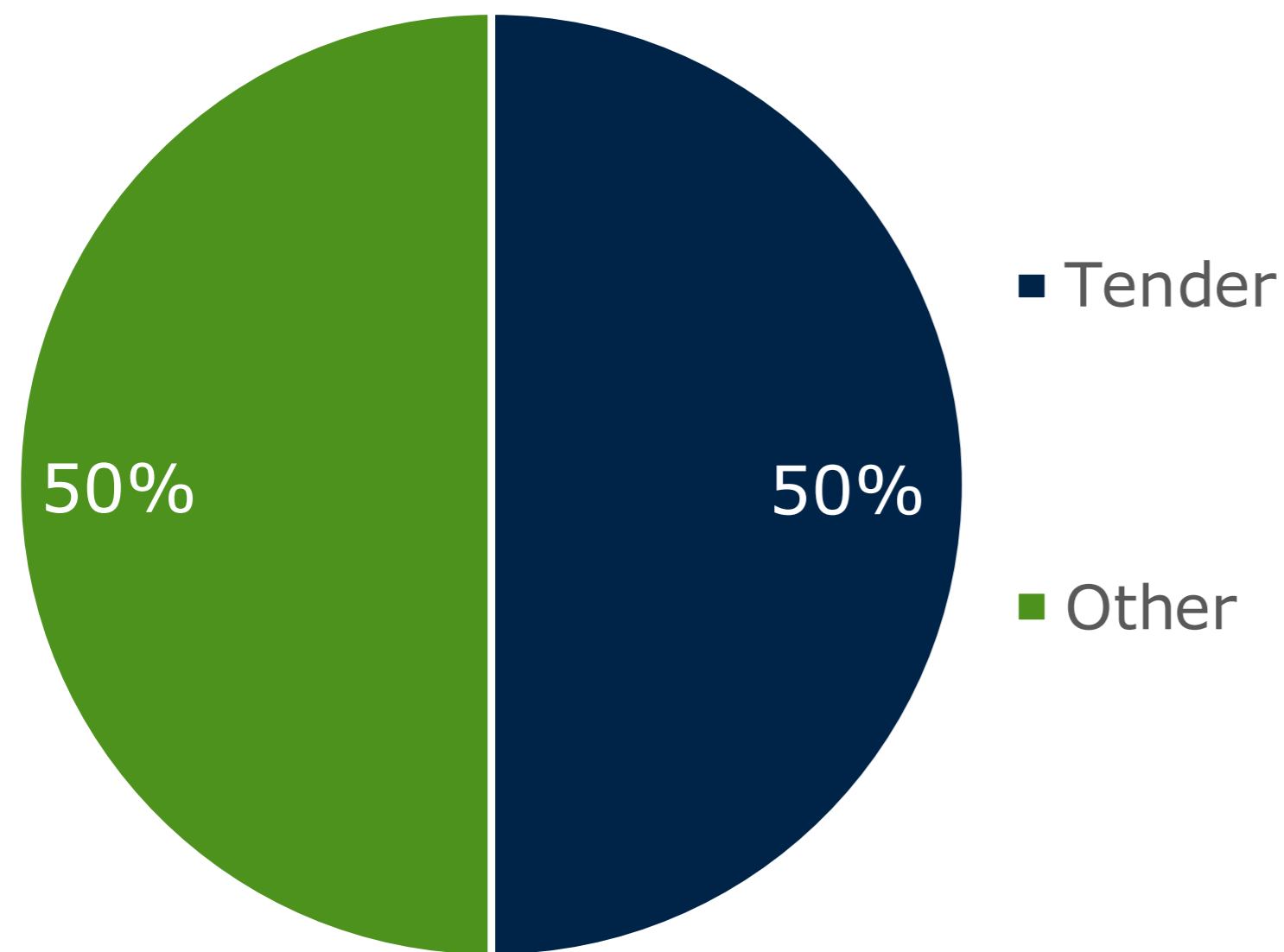
- By the end of the first quarter, **8,507 tons** of raw materials and products were transported by creating cost advantage with the tow truck, fiberglass and refrigerated trailer investments.



Operations

Industry Business Unit in 2023-Q1

Source of Manufactured Pallets



Industrial Products and Services

- **24,413** numbered pallet sales realized.
- It is planned to produce **50 thousand pallets** in 2023 from the rest of the **17.504 m³** forest tender received last year.



Konfrut Gida Fruit and Vegetables Process

- Concentrate and puree are produced in Denizli-Akkent Facility.
- **3,495 tons** production in 2023-Q1.



Digital Agriculture

- Agricultural spraying technology with drone, which saves cost and time and increases productivity, has started to be applied in strawberry, tomato and black carrot fields.
- Agricultural spraying with drone also protects ecosystem compared to spraying with traditional methods.



Investments

Due to its Growth and Profitability Potential, Konfrut AG Will Continue Its Storage and Logistics Investments in 2023



Storage and Logistics Investments

- Konfrut AG, which provides **cost advantage** in raw material and product transportation with its specially designed fiberglass and refrigerated trailers, continues its investments in these vehicles in 2023 as well.



New Tea Pelleting Line Investment

- In the tea pelleting facility, which has **7 thousand square meters** indoor area, started operations in 2022, June. The new pelleting line, which is in the facility, installation has been completed and ready for the 2023 tea harvest season and the amount of **the new pelleting line investment is 9 mn TL.**



Digital Services Investments

- With the target of the latest technology use, investments in software and hardware, including digital tracking in the field, continue.
- In 2023-Q1, investments in version development were made in the **K-PORT** application, where work orders and status updates regarding the load carried by logistics vehicles were monitored.



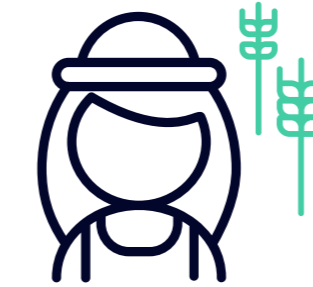
Developments in the 2023-Q1

Strategical Cooperations with «Agri Sourcing Redefined» Vision



Cooperation on the Procurement of Seedlings Was Established

- Konfrut AG signed one-year cooperation agreement for the supply of vegetable and fruit seedlings with the seedling production facility located in Izmir Menderes. The facility established on 20K m² area, with 13K m² indoor area and also it has 150 million seedlings production capacity per year with the latest technology.
- Following the agreement, **49 different kinds of vegetable and fruit seedlings**, primarily tomato and pepper seedlings, were began to grow and orders have been taken.
- Seedling quality is critical to product productivity and quality.



Preparations for 2023 Production Season Continued

- Contracts were renewed for the 2023 production season with the farmers.
- Konfrut AG, which enables to its farmers to operate sustainable agriculture opportunity, offers all the support they need for production, from seedlings to agricultural consultancy.



Spring Harvest Season

- With the spring, the harvest of black carrots started from the Hatay region. The season will continue with fruits such as strawberries, apricots and pears.



Consolidated Financial Results

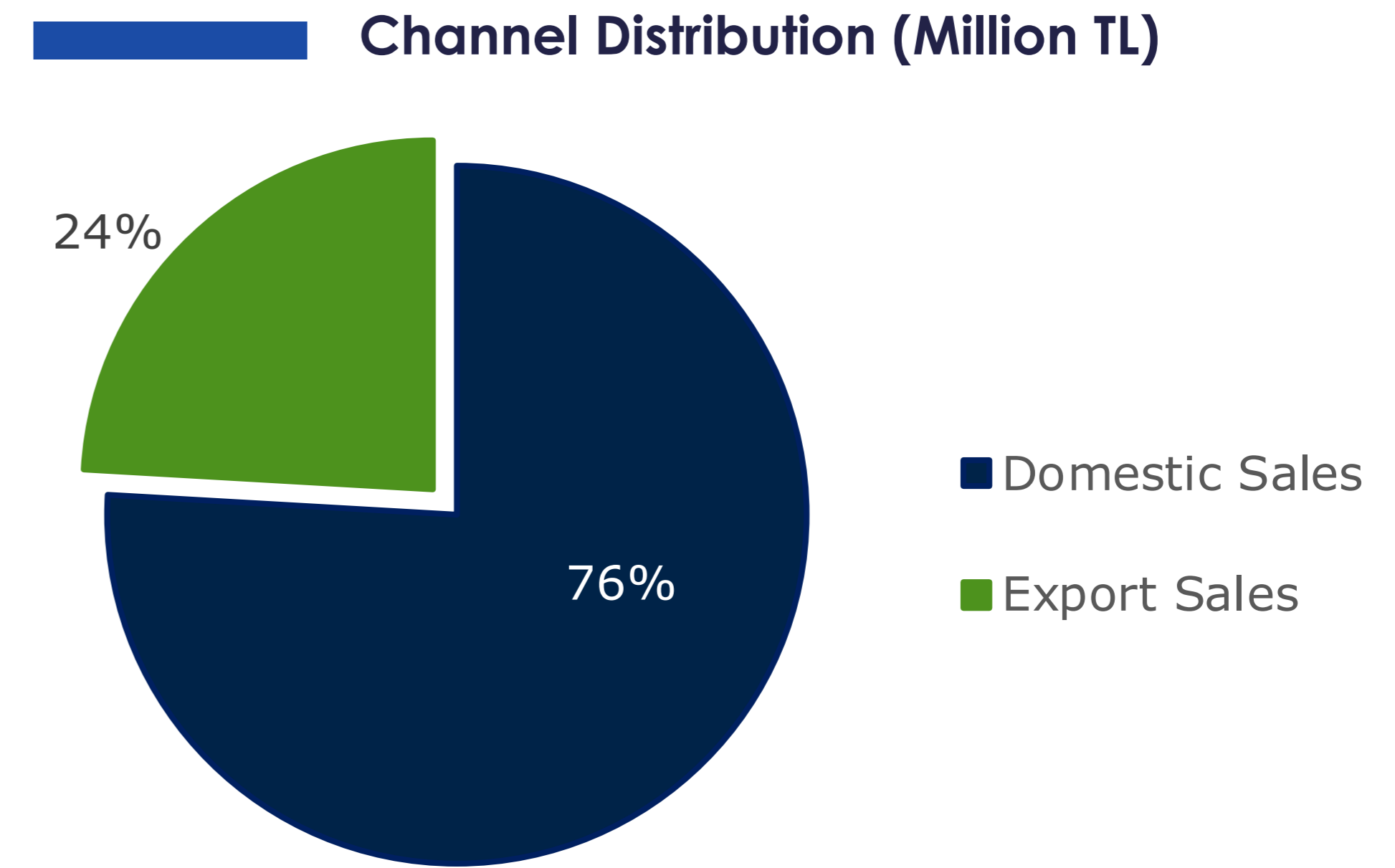
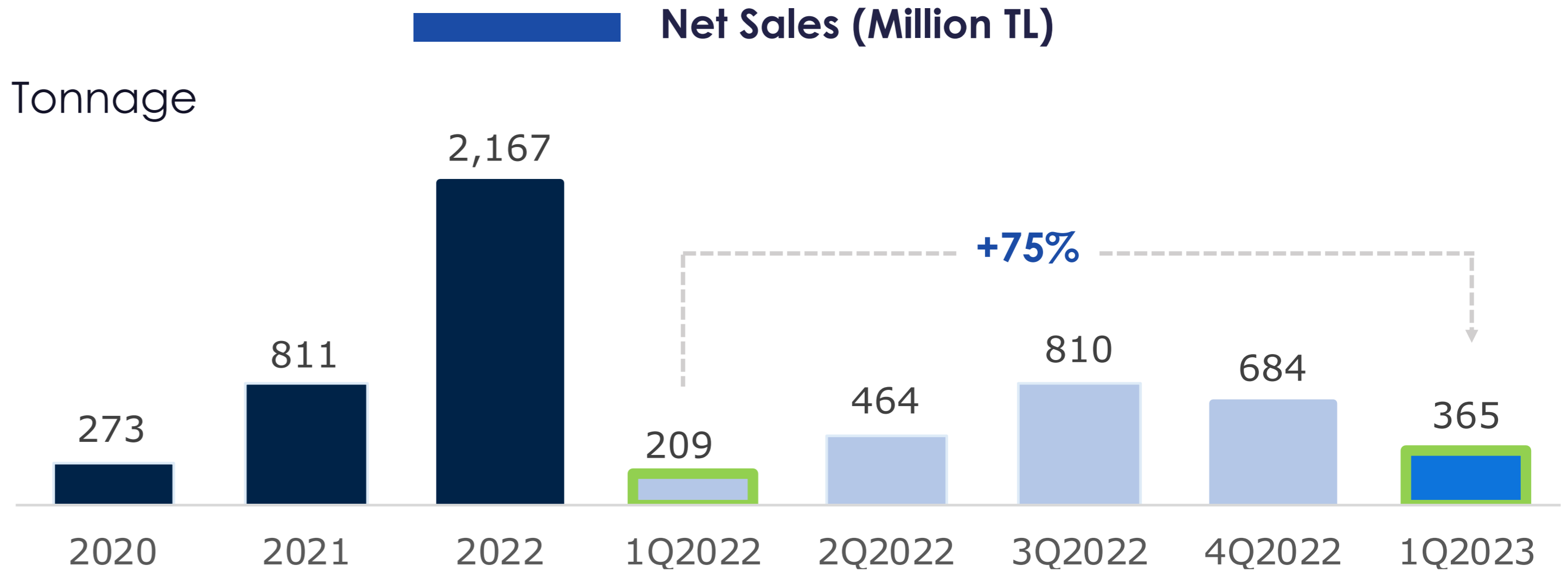
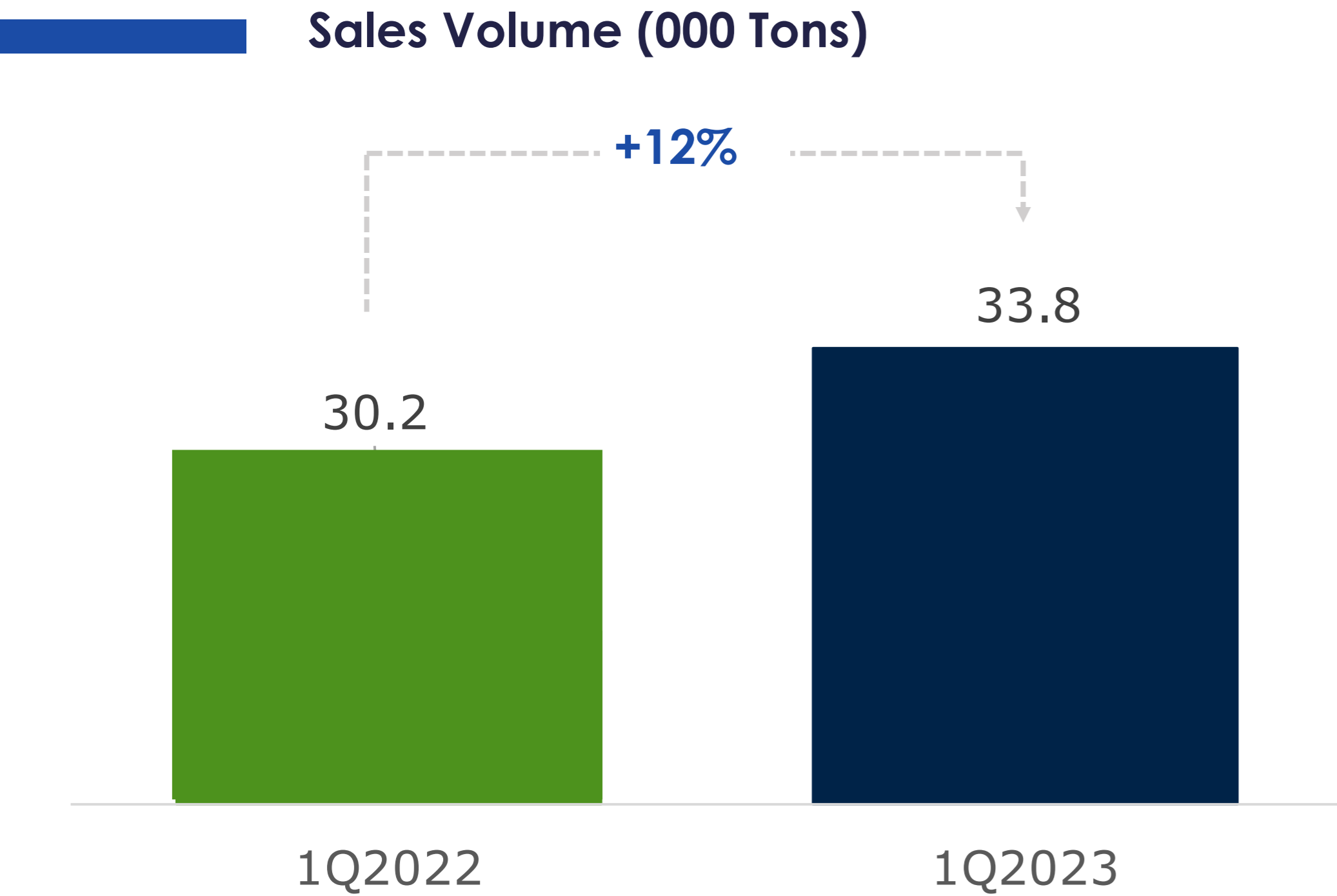
2023-Q1

Net Sales Growth

Continued Strong Growth Based on Turnover and Tonnage

Net sales on a consolidated basis in 2023-Q1;

- Increase **12%** in volume
- Increase **75%** in turnover, YoY.



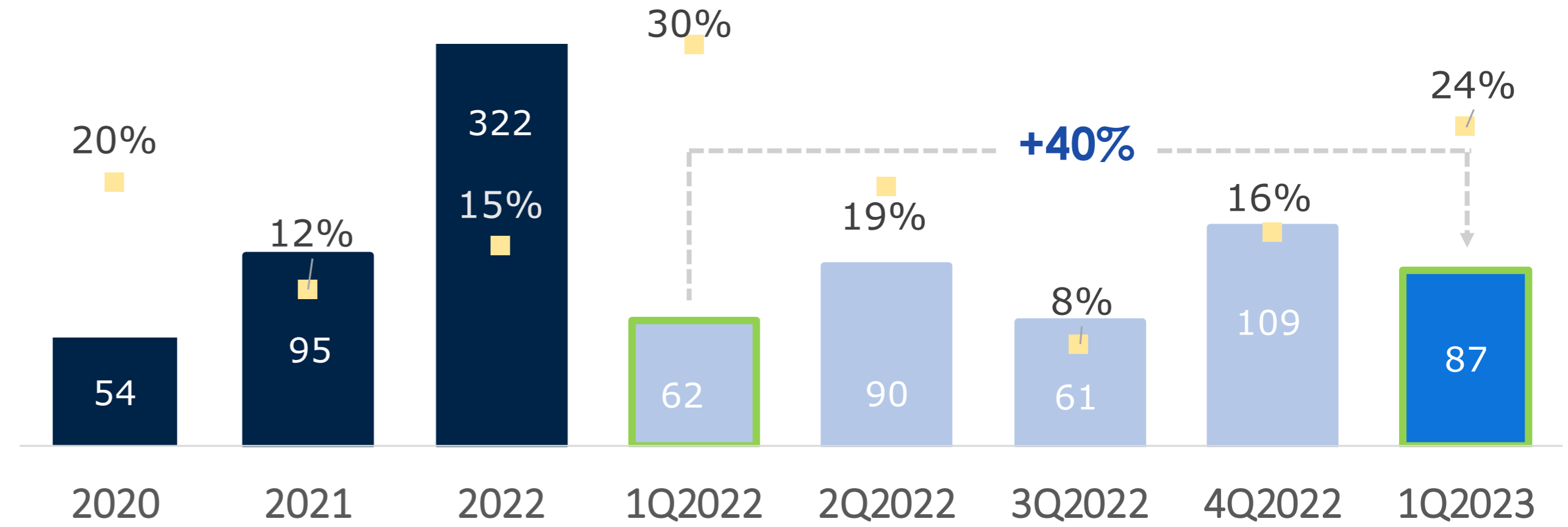
Profitability

Improvement in Operating Expenses Despite Increasing Costs

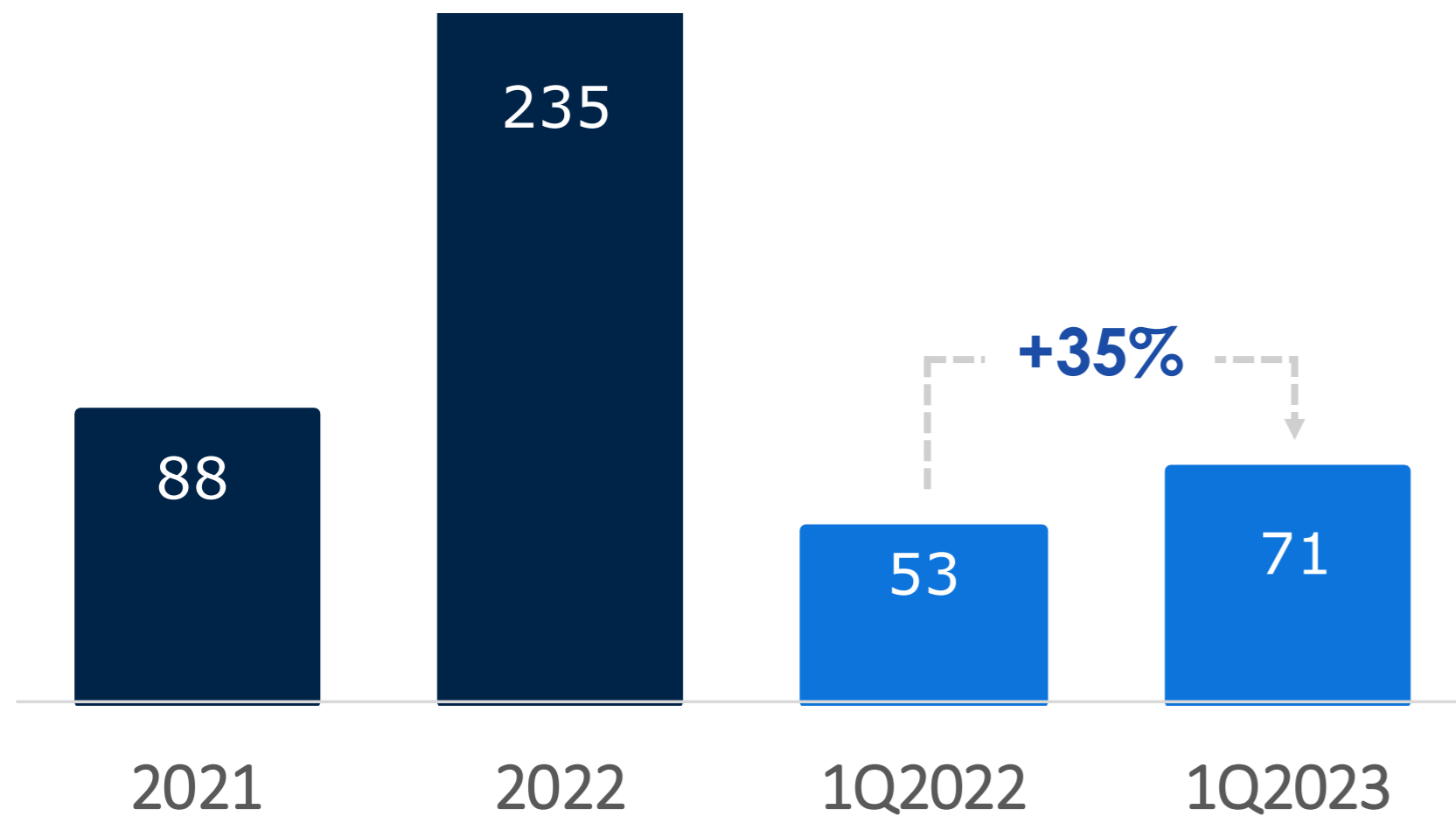
In the first quarter of 2023;

- Gross profit was realized as **87 mn TL** with a 40% rise, YoY.
- In this period, there was slight improvements in operating expenses compared to the Company's sales. The share of operating expenses in net sales **decreased to 7%** (2022-Q1: 9%).

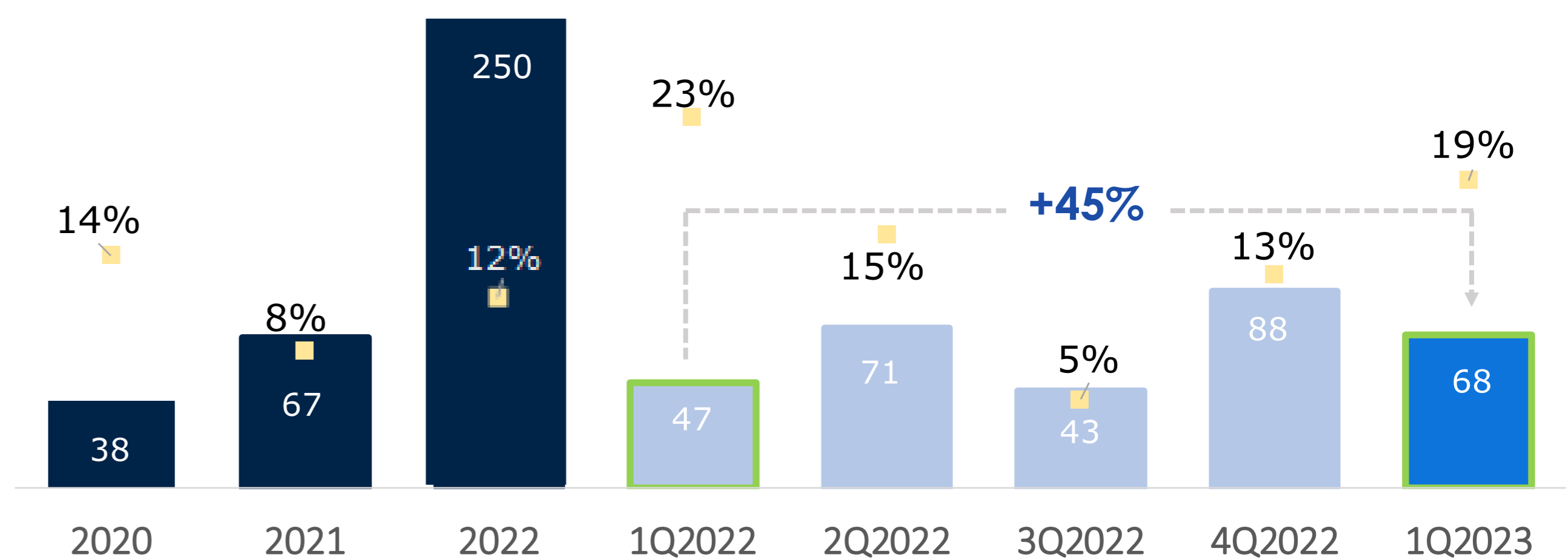
Gross Profit and Gross Profit Margin (Million TL)



Operating Profit (Million TL)

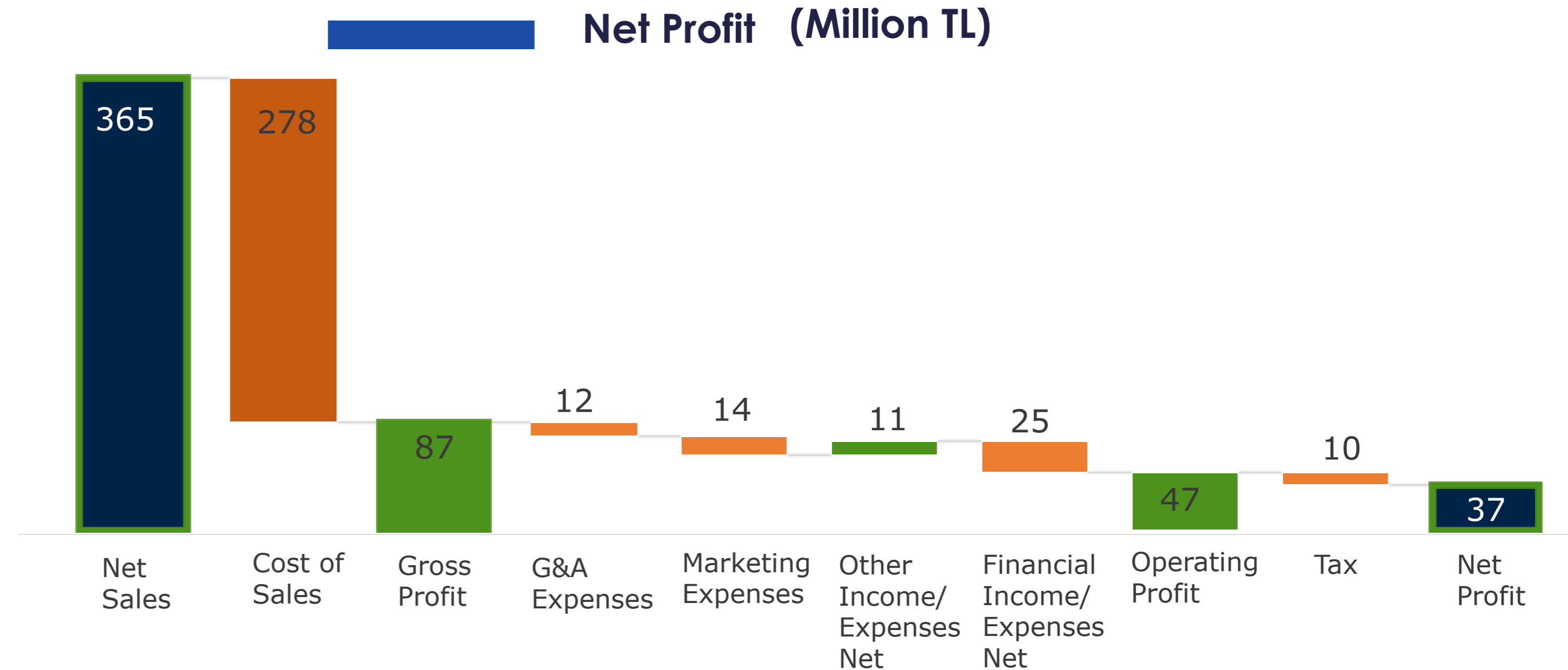
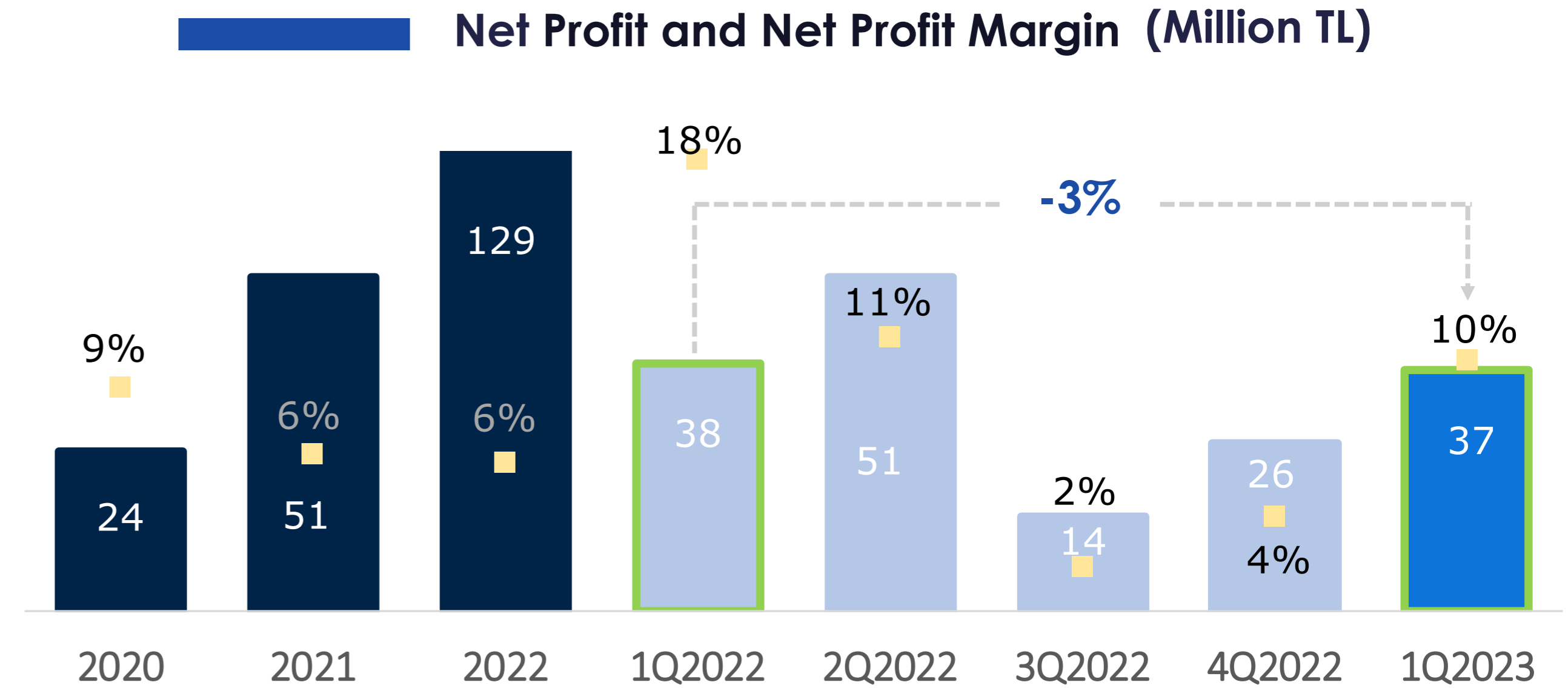
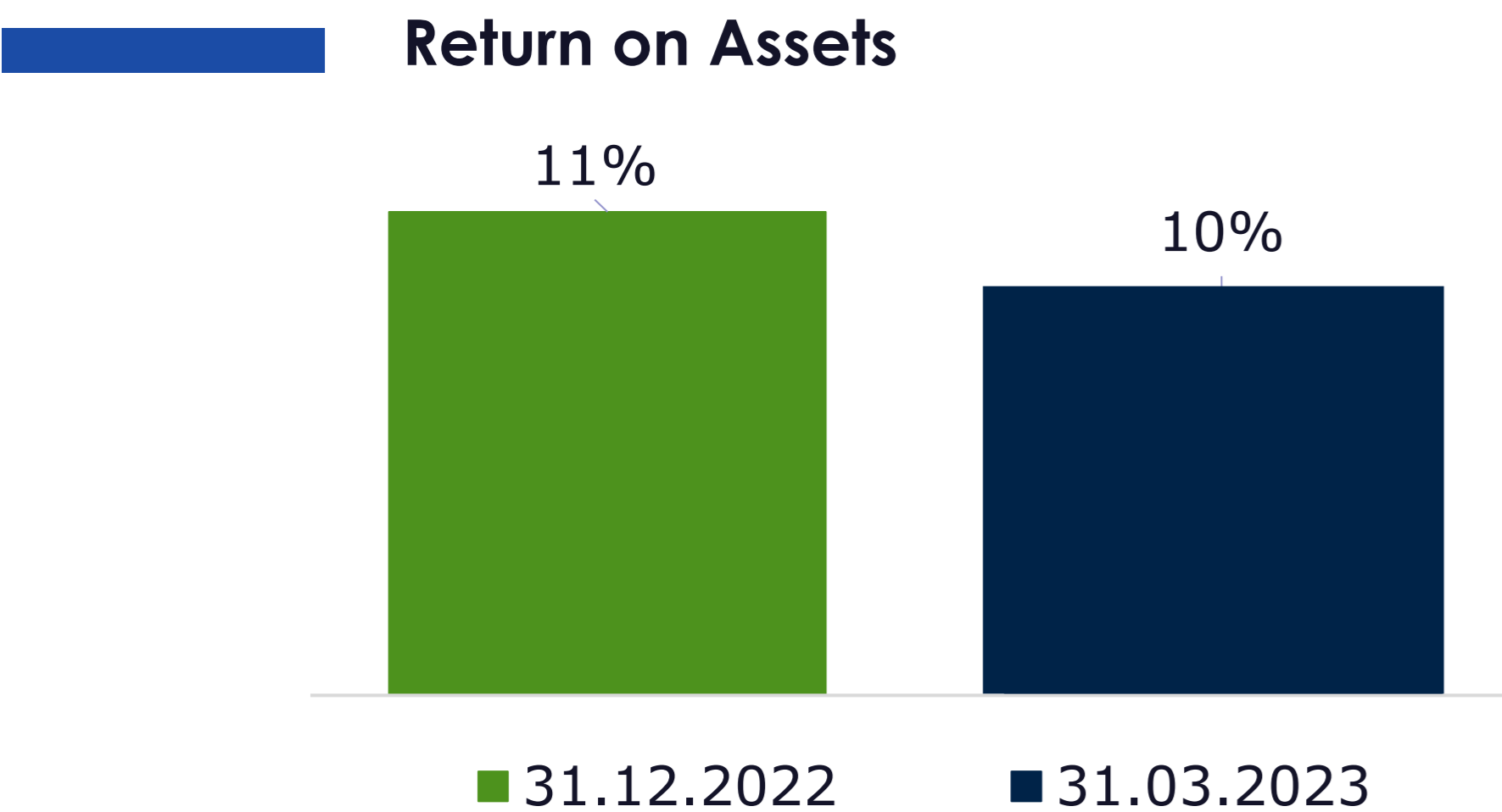
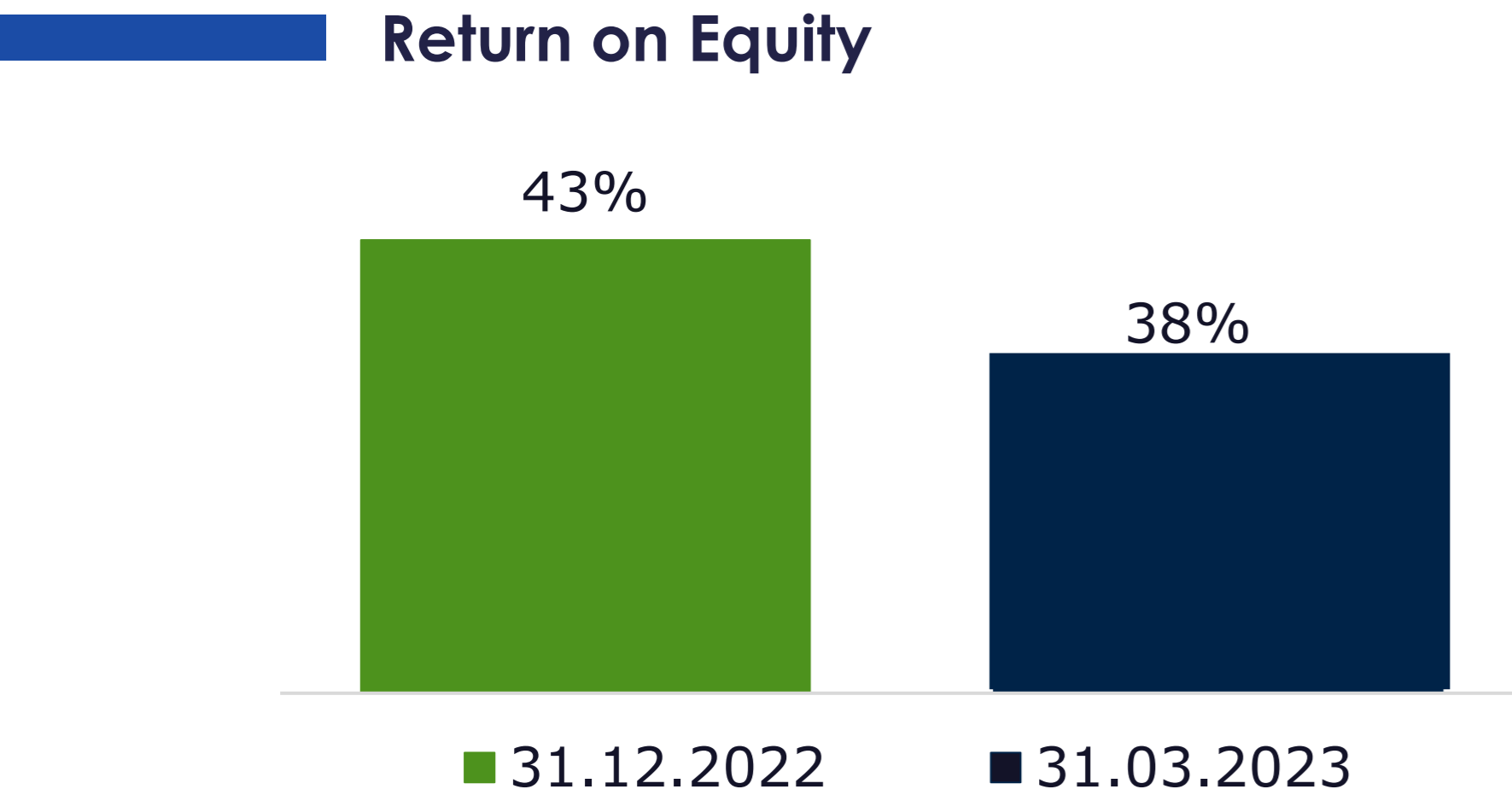


EBITDA and EBITDA Margin (Million TL)



Profitability

37 mn TL Net Profit for the Period

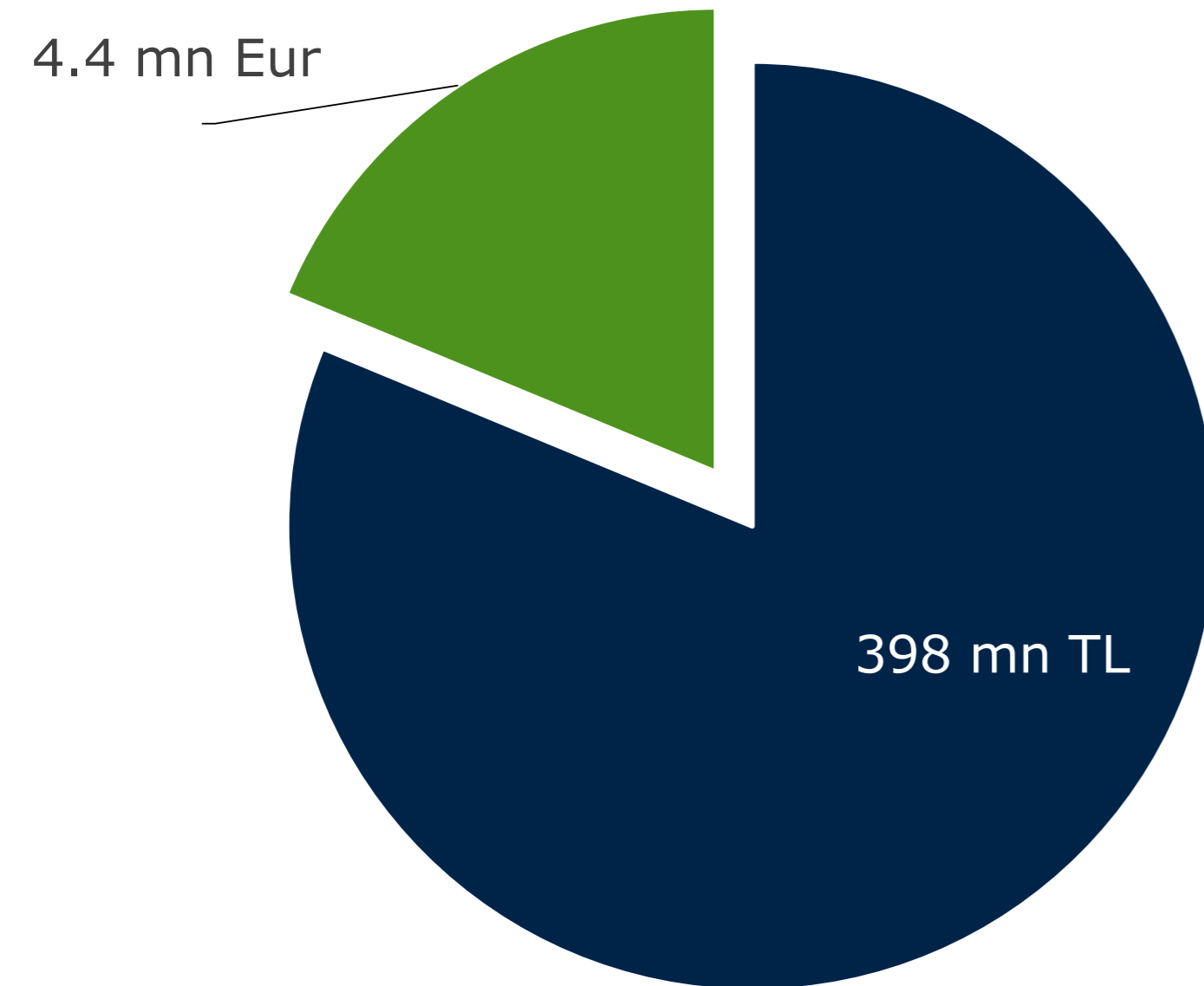


Investments and Liabilities

Growth Focused Investments

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

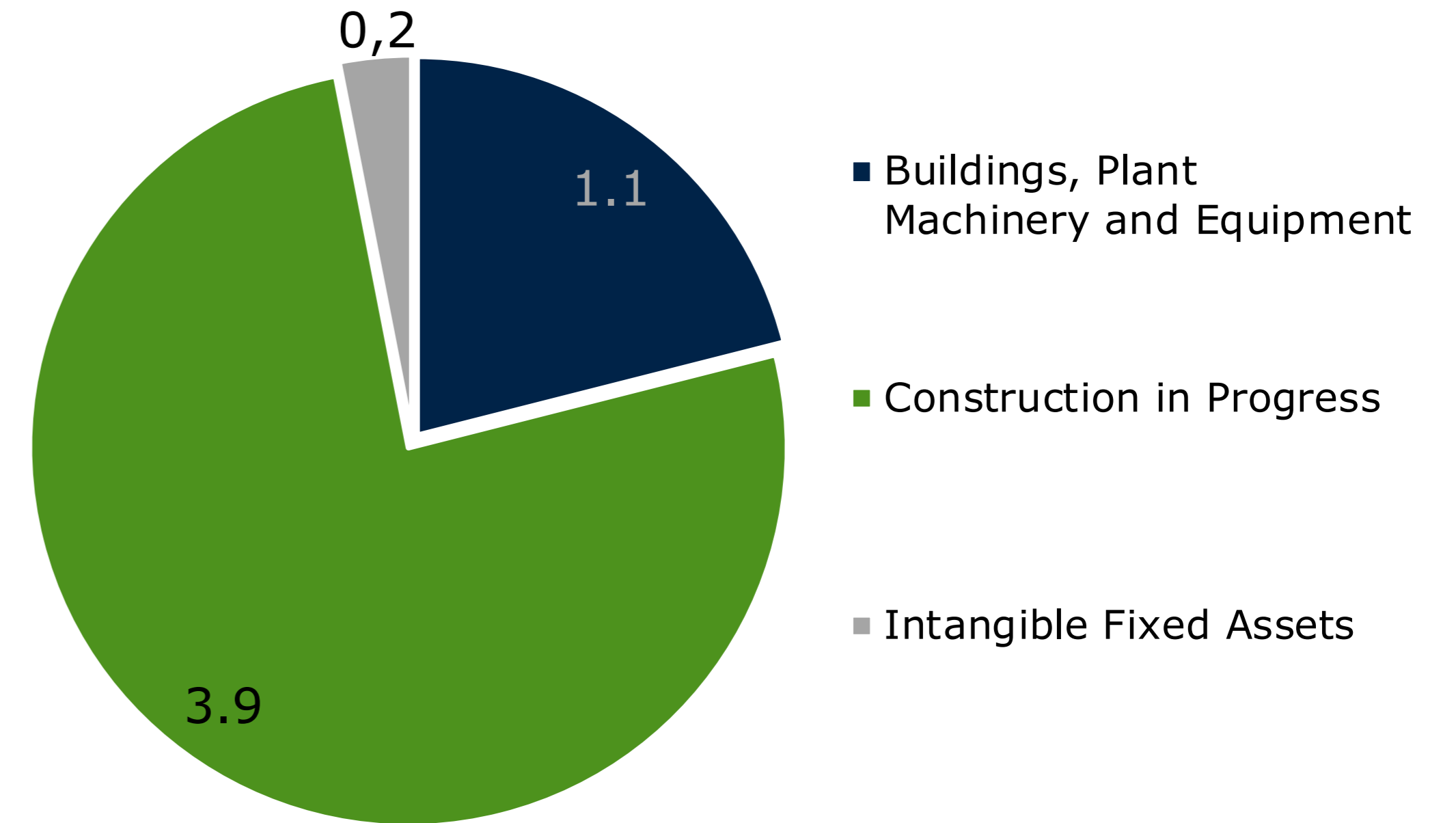
Financial Debts Distribution



- **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 the first quarter, **5.1 mn TL was invested** on a consolidated basis.
- **The new pelleting line investment was completed** in Konfrut AG's Tea Fiber Pelleting Facility, located in Rize İyidere, and **started to work in the first quarter of the year.**

(Million TL)

	2020	2021	2022	1Q2023
Investment Expenditures	15.2	31.5	107.9	5.1

Income Statement - Summary

(Million TL)

	1Q2022	1Q2023	Change	Change (%)	2022
Net Sales	208.6	365.4	156.8	75.2%	2,167.2
Cost of Sales	(146.3)	(278.4)	(132.0)	90.2%	(1,845.2)
Gross Profit	62.3	87.1	24.8	39.8%	321.9
General Administrative Expenses	(6.7)	(11.9)	(5.2)	77.5%	(32.7)
Marketing Expenses	(11.3)	(14.5)	(3.2)	27.9%	(58.0)
Operating Profit	44.2	60.7	16.4	37.2%	231.3
EBITDA	47.0	68.1	21.1	45.0%	250.0
Other Income/Expenses (Net)	8.3	11.2	2.8	33.7%	18.7
Financial Income/Expenses (Net)	(5.7)	(25.2)	(19.5)	342.7%	(88.5)
Profit Before Tax	46.9	46.7	(0.2)	-0.5%	161.4
Tax	(9.1)	(10.0)	(0.9)	9.5%	(32.9)
Net Profit for the Period	37.8	36.7	(1.1)	-2.9%	128.5

Balance Sheet - Summary

(Million TL)

	31.12.22	31.03.23	31.03.22	30.06.22	30.09.22
Current Liabilities	1,233.5	1,030.8	729.3	879.7	1,210.7
Cash and Cash Equivalents	3.5	6.8	13.6	7.9	21.3
Trade Receivables	326.7	124.5	286.1	316.4	408.6
Inventories	568.6	518.4	278.8	275.5	448.6
Non-Current Assets	199.7	194.9	97.7	118.7	172.9
Total Assets	1,433.2	1,225.7	827.0	998.4	1,383.6
Current Liabilities	1,006.0	766.2	569.7	690.2	1,056.3
Short Term Financial Borrowings	387.6	419.5	58.8	211.3	217.0
Trade Payables	425.7	248.2	190.0	206.2	458.5
Long Term Liabilities	79.6	79.7	10.4	10.7	16.8
Equity	347.6	379.8	246.9	297.6	310.5
Total Equity	1,433.2	1,225.7	827.0	998.4	1,383.6
Net Financial Borrowings	452.3	483.1	48.1	206.2	202.2

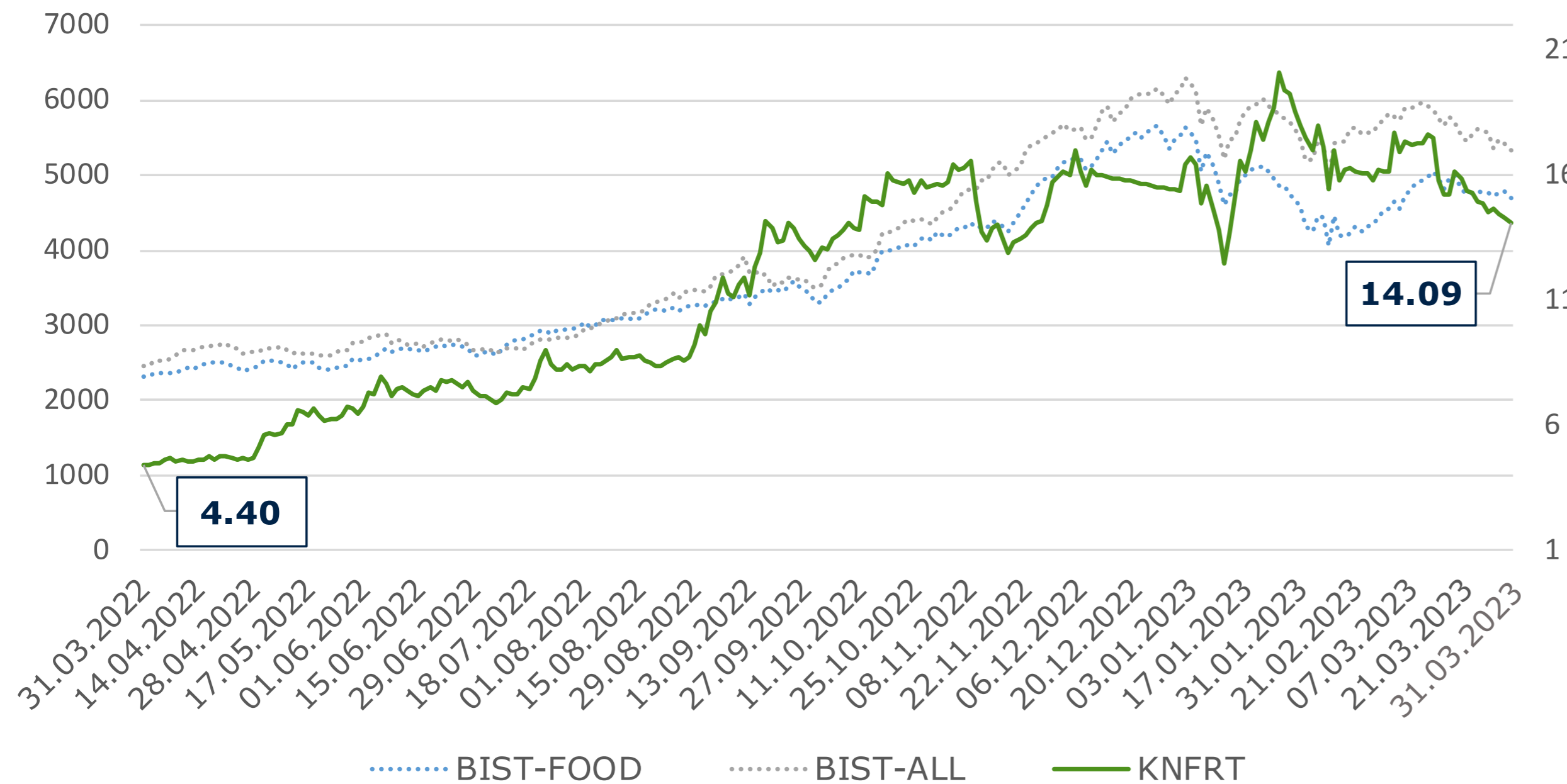
Financial Ratios

(Million TL)

	1Q2022	1Q2023	2022	2021	2020
Gross Profit Margin	30%	24%	15%	12%	20%
EBITDA Margin	23%	19%	12%	8%	14%
Net Profit Margin	18%	10%	6%	6%	9%
Current Ratio	1.23	1.35	1.23	1.26	1.33
Acid Test Ratio	0.66	0.67	0.66	0.67	0.71
Short-Term Financial Borrowings/Total Financial Borrowings	0.95	0.86	0.85	0.95	1.00
Net Financial Borrowings/Equity	0.19	1.27	1.30	0.26	0.31
Return on Assets (ROA)	11%	10%	11%	10%	6%
Return on Equity (ROE)	37%	38%	43%	28%	15%

Stock Performance

Konfrut Stock Price Developments



Public Offering Date	10.06.1996
Issued Capital	TL 132,000,000
Ticker Symbol	KNFRT
Free Float Rate	22.39%
Stock Price TL (March 31, 2022 - March 31, 2023)	4.40 - 14.09
Market Value	TL 1,859,880,000
Stock Price Change in the last 12 months	+220%
Market in Borsa Istanbul	Star 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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Information about Konfrut Gıda Sanayi ve Ticaret A.Ş. (Konfrut Gıda) and its 100% subsidiary Konfrut AG Tarım A.Ş. (Konfrut AG), the financial statements' analysis and current views on possible future events are included in this presentation. Although, it is considered that the information and analyzes included in the presentation are correct and the data regarding the predictions are reasonable, these can be affected by various variables and changes in underlying assumptions that could cause actual results to differ materially.

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