



## **ATAKEY PATATES GIDA SANAYİ VE TİCARET A.Ş.**

### **Report on the Utilization of Funds Raised from the Public Offering - 2**

**28.03.2024**

This report has been prepared in accordance with Article 33 of the Capital Markets Board's Communiqué VII-128.1 on Shares.

## 1- REPORT OVERVIEW

This report has been prepared in accordance with Article 33 of the Capital Markets Board's Communiqué VII-128.1, evaluating and determining whether the funds obtained from the capital increase have been used as specified.

According to Article 33 of the Communiqué within ten business days following the public announcement of the first two financial statements, which include the outcomes of the capital increase and are published after the commencement of trading of the publicly traded companies' shares on the stock exchange, the Audit Committee must produce a report. This report must then be disseminated on the company's website and through the Public Disclosure Platform ("KAP"). Furthermore, companies not obligated to establish an Audit Committee must fulfill this obligation through the Board of Directors.

Prepared by our company's Audit Committee on 28.03.2024, this report represents the second evaluation. It provides insights into whether the funds raised from the public offering have been utilized in accordance with the locations specified in the utilization of funds report.

## 2- FINANCIAL STATEMENTS FORMING THE BASIS OF THE REPORT

The financial information forming the basis of the report consists of the Company's financial statements for the period from January 1, 2023, to December 31, 2023. These financial statements were published on the Public Disclosure Platform (KAP) on March 18, 2024.

## 3- THE PROSPECTUS AND FUND UTILIZATION REPORT FORMING THE BASIS OF THE REPORT

As a basis for this report, the public offering prospectus and price determination report were utilized. These documents pertained to the issuance of a total of 28,224,000 TL nominal value shares, comprising 21,168,000 TL for public offering and 7,056,000 TL for existing shareholder TFI TAB Gıda Yatırımları A.Ş., subsequent to the company's capital increase from 117,600,000 TL to 138,768,000 TL. They were made public on the Public Disclosure Platform (KAP) on July 14, 2023. The public offering subscription process occurred at a price of 39.50 TL per share on July 19-20-21, 2023. Subsequently, the company's shares offered to the public commenced trading on Borsa Istanbul Star Market on July 27, 2023, at a price of 39.50 TL per share under the ticker symbol "ATAKPE," utilizing the continuous trading method.

Following the decision numbered 2023/09 dated 11.04.2023 by the Board of Directors, the utilization plan for the funds to be raised through the public offering is as follows:

### ***RATIONALE FOR THE CAPITAL INCREASE***

The company aims to raise funds through its public offering and capital increase to facilitate institutionalization, establish the company's value, enhance visibility and recognition. Additionally it aims to also strengthen transparency and accountability principles, fund investment opportunities that will create value for the company, reinforce brand awareness, and bolster the company's corporate identity.

***FUNDS RAISED WILL BE ALLOCATED FOR THE FOLLOWING PURPOSES:***

*The utilization of IPO proceeds is presented under the following categories::*

***A. Capacity Expansion***

***Share in total funds obtained: 50%***

The company intends to allocate around 50% of the IPO proceeds towards enhancing its existing capacity. These funds designated for capacity expansion will be utilized to finance investments aimed at boosting the production capacity of the current factory. Additionally, they will be used to finance construction investments required for capacity expansion, as well as investments in machinery and equipment.

The company aims to increase its capacity in line with the growing sales volume, with the objective of contributing to the company's revenue.

***B. Reducing the Financial Debt level***

***Share in total funds obtained: 35%***

The company has utilized short and medium-term loans to meet its net operating capital needs. In this regard, the company plans to use approximately 35% of the proceeds from the public offering to repay its financial debts. The aim of reducing financial indebtedness is to decrease the company's loan principal and interest burden and strengthen its financial structure.

***C. Investment Financing (Coated Products)***

***Share in total funds obtained: 15%***

Approximately 15% of the funds expected to be raised through the capital increase will be allocated to constructing a new production line at the Company's facility in the Susuz Town of Afyonkarahisar province. This investment is intended to broaden the product range by manufacturing new coated products.

## 4- FUNDS OBTAINED FROM THE PUBLIC OFFERING AND THEIR ALLOCATION

The funds obtained and the costs incurred from the company's public offering are as follows:

	Realized (in TL)
Public Offering Proceeds	836,136,284
Public Offering Expenses	36,953,091
Net Proceeds	799,182,909

The table below provides information regarding the utilization of proceeds from the public offering until December 31, 2023:

Fund Utilization	Planned Utilization Rate	Planned Utilization Amount (A)	Return on IPO Fund Investments (B)	Realized Utilization Amount (C)	Remaining Amount (A+B-C)
Capacity Expansion	50%	404,898,858	56,812,071	-	461,710,929
Reducing Financial Debt Levels	35%	283,429,201	39,768,450	319,149,814	4,047,837
Investment Financing (Coated Products)	15%	121,469,657	17,043,621	-	138,513,279
<b>Total</b>	<b>100%</b>	<b>809,797,716</b>	<b>113,624,142</b>	<b>319,149,814</b>	<b>604,272,044</b>

\* The amount remaining in the public offering fund, which has not been deducted from the public offering account within the public offering costs, is included.

\*\* The proceeds from the public offering have been collectively evaluated, and the generated returns have been distributed according to the proportions specified in the planned use of funds.

**The actual utilization details are as follows:** Financial debt payments and mandatory expenses for alternative financing needs such as tax-related payments have been optimized by using the proceeds from the public offering to reduce the level of financial debt holding. These expenses were funded from the remaining balance allocated for "Reducing Financial Debt Levels." Through the debt optimization efforts, in accordance with the provisions of TMS – 29 applied in the Company's financials, the ratio of financial debts to total assets, which was 31% at the end of 2022, decreased to 15% by the end of 2023.

As disclosed to the public in the Company's financial statements for the period from January 1, 2023, to December 31, 2023, the amount of cash and cash equivalents includes unused funds and returns from the public offering. The Company's cash and cash equivalents balance is as follows:

	31.12.2023	31.12.2022
<b>Cash and Cash Equivalents</b>	<b>875,837,500</b>	<b>144,742,155</b>
Cash on Hand and in Banks	2,530,299	43,613,555
Deposits, Bonds, and Investment Funds*	873,307,201	101,128,600

\*As of December 31, 2023, the total amount invested in sukuk and investment funds is 762,579,956 TL.

## 5-CONCLUSION

The funds obtained from the company's public offering and capital increase have been determined to be utilized for the stated purposes, and the unused funds are currently being held in deposit, sukuk, and fund accounts.