MİGROS TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(ORIGINALLY ISSUED IN TURKISH)

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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
ASSETS			
Current assets:			
Cash and cash equivalents	4	3.632.341	3.230.793
Financial investments	5	2.596	5.879
Trade receivables	6	177.905	174.525
- Trade receivables from related parties	*25*	*4.067*	*154*
- Trade receivables from third parties		*173.838*	*174.371*
Other receivables	7	41.729	27.854
- Other receivables from third parties		*41.729*	*27.854*
Derivative instruments		14.611	*5.174*
Inventories	8	4.675.317	3.339.580
Prepaid expenses	9	154.988	114.183
Other current assets		4.237	10.318
Sub total		**8.703.724**	**6.908.306**
Assets held for sale	32	-	422.615
Total current assets		**8.703.724**	**7.330.921**
Non-current assets:			
Financial investments	5	97.059	10.815
Other receivables	7	5.530	4.913
- Other receivables from third parties		*5.530*	*4.913*
Derivative instruments		8.423	*8.249*
Property, plant and equipment	10	3.750.426	2.772.744
Intangible assets		2.462.011	2.439.671
- Goodwill	*12*	*2.252.992*	*2.252.992*
- Other intangible assets	*11*	*209.019*	*186.679*
Prepaid expenses	9	20.579	21.002
Right-of-use assets	13	2.785.466	2.789.744
Deferred tax assets	23	267.107	-
Total non-current assets		**9.396.601**	**8.047.138**
Total assets		**18.100.325**	**15.378.059**

The accompanying notes form an integral part of these consolidated financial statements.

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
LIABILITIES			
Current liabilities:			
Short term borrowings		715.860	1.144.343
- Bank loans	*14*	*715.860*	*1.144.343*
Short-term portion of long-term borrowings		1.328.799	1.011.299
- Bank loans	*14*	*569.464*	*413.522*
- Lease liabilities	*13*	*759.335*	*597.777*
Trade payables	6	9.581.881	7.339.394
- Trade payables to related parties	*25*	*312.468*	*280.013*
- Trade payables to third parties		*9.269.413*	*7.059.381*
Payables related to employee benefits	16	291.750	239.125
Other payables	7	225.021	178.714
- Other payables to third parties		*225.021*	*178.714*
Derivative instruments		-	4.760
Deferred income	9	214.363	142.332
Current tax liability	23	49.285	8.208
Short-term provisions		698.608	257.013
- Short-term provisions for employee benefits	*16*	*187.690*	*158.126*
- Other short-term provisions	*15*	*510.918*	*98.887*
Other current liabilities		3.431	1.389
Sub total		**13.108.998**	**10.326.577**
Liabilities regarding assets classified for sale	32	-	76.374
Total current liabilities		**13.108.998**	**10.402.951**
Non-current liabilities:			
Long-term borrowings		4.035.105	4.616.639
- Bank loans	*14*	*1.685.995*	*2.279.885*
- Lease liabilities	*13*	*2.349.110*	*2.336.754*
Other payables	7	25.877	29.232
- Other payables to third parties		*25.877*	*29.232*
Deferred income	9	10.727	25.081
Long-term provisions		383.554	257.690
- Long-term provisions for employee benefits	*16*	*383.554*	*257.690*
Deferred tax liabilities	23	-	13.005
Total non-current liabilities		**4.455.263**	**4.941.647**
Total liabilities		**17.564.261**	**15.344.598**

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
EQUITY			
Attributable to equity holders of parent		**536.064**	**31.061**
Share capital	24	181.054	181.054
Other reserves		(365)	(365)
Treasury shares	24	(125.435)	(125.435)
Additional contribution to share capital		22.074	22.074
Other accumulated comprehensive income or expenses that will not be reclassified in profit or loss		715.126	406.218
- Defined benefit plans re-measurement losses		*1.118*	*(3.042)*
- Revaluation fund of property, plant and equipment		*714.008*	*409.260*
Other accumulated comprehensive income or expenses that will be reclassified in profit or loss		48.990	256.000
- Foreign currency translation differences		*48.990*	*256.000*
Restricted reserves appropriated from profit		250.582	111.249
Accumulated losses		(914.843)	(416.750)
Net profit/(loss) for the period		358.881	(402.984)
Non-controlling interest		**-**	**2.400**
Total equity		**536.064**	**33.461**
Total liabilities and equity		**18.100.325**	**15.378.059**

The accompanying notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Revenue	17	36.272.243	28.790.190
Cost of sales (-)	17	(27.517.740)	(22.018.975)
Gross profit		**8.754.503**	**6.771.215**
General administrative expenses (-)	18	(451.110)	(355.401)
Marketing expenses (-)	18	(6.316.398)	(5.034.752)
Other operating income	19	456.814	295.523
Other operating expense (-)	19	(1.584.691)	(642.633)
Operating profit		**859.118**	**1.033.952**
Income from investment activities	20	225.210	48.146
Expenses from investment activities (-)	20	(9.472)	(19.397)
Operating income before finance income/(expense)		**1.074.856**	**1.062.701**
Financial income	21	267.008	303.192
Financial expense (-)	22	(1.116.377)	(1.586.598)
Profit/(loss) before tax from continuing operations		**225.487**	**(220.705)**
Tax income/(expense) from continuing operations		**132.716**	**(183.240)**
- Income tax expense	23	(191.852)	(192.269)
- Deferred tax income	23	324.568	9.029
Profit/(Loss) from Continuing Operations		**358.203**	**(403.945)**
Profit from Discontinued Operations		**678**	**996**
Profit/(Loss) for the Period		**358.881**	**(402.949)**
Loss for the period attributable to:			
- Non-controlling interest		-	35
- Equity holders of parent	26	358.881	(402.984)
Loss per share (TRL) from contiuning operations	26	1,98	(2,23)
Profit per share (TRL) from discontinued operations	26	0,00	0,01

The accompanying notes form an integral part of these consolidated financial statements.

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Loss for the period		**358.881**	**(402.949)**
Other comprehensive income/(expense) that may not be reclassified subsequently to profit or loss			
-Defined benefit plan re-measurement profits/(losses)		5.200	13.966
-Revaluation fund of property,plant and equipment		389.851	(16.275)
Other income that may not be reclassified to profit or loss		2.640	-
Taxes related to other comprehensive income/(expense) not to be reclassified to profit or loss			
-Defined benefit plan re-measurement (losses)/gains, tax effect		(1.040)	(2.793)
-Revaluation fund of property,plant and equipment, tax effect		(46.270)	3.995
Other comprehensive income to be reclassified to profit or loss			
- Foreign currency translation differences		(206.659)	83.349
Other comprehensive income, after tax		**143.722**	**82.242**
Total comprehensive income/(expense)		**502.603**	**(320.707)**
Total comprehensive income/(expense) attributable to:			
-Non-controlling interests		(2.400)	735
-Equity holders of parent		505.003	(321.442)

The accompanying notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY-31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

					Other comprehensive income and expenses not to be reclassified to profit or loss	Other comprehensive income and expenses to be reclassified to profit or loss			Retained losses				
	Share capital	Other capital reserves	Tresuary shares	Additional contribution to share capital	Defined benefit plans revaluation and measurement losses	Increase / (decrease) of revaluation fund of property plant and equipment	Foreign currency translation differences	Restricted reserves appropriated from profit	Accumulated losses	Net profit/(loss) for the period	Attributable to equity holders of the parents	Non-controlling interests	Total equity
Balances as of 1 January 2020 (Restated) (*)	**181.054**	**(365)**	**(125.435)**	**22.074**	**(14.215)**	**652.137**	**176.102**	**23.771**	**(101.808)**	**(460.812)**	**352.503**	**1.665**	**354.168**
Transfers	-	-	-	-	-	(230.597)	(2.751)	87.478	(314.942)	460.812	-	-	-
Total comprehensive expense	-	-	-	-	11.173	(12.280)	82.649	-	-	(402.984)	(321.442)	735	(320.707)
Net loss for the period	-	-	-	-	-	-	-	-	-	(402.984)	(402.984)	35	(402.949)
Foreign currency translation differences	-	-	-	-	-	-	82.649	-	-	-	82.649	700	83.349
Loss on revaluation and measurement	-	-	-	-	11.173	-	-	-	-	-	11.173	-	11.173
Revaluation fund of property, plant and equipm	-	-	-	-	-	(12.280)	-	-	-	-	(12.280)	-	(12.280)
Balances as of 31 December 2020	**181.054**	**(365)**	**(125.435)**	**22.074**	**(3.042)**	**409.260**	**256.000**	**111.249**	**(416.750)**	**(402.984)**	**31.061**	**2.400**	**33.461**
Balances as of 1 January 2021	**181.054**	**(365)**	**(125.435)**	**22.074**	**(3.042)**	**409.260**	**256.000**	**111.249**	**(416.750)**	**(402.984)**	**31.061**	**2.400**	**33.461**
Transfers	-	-	-	-	-	(41.473)	(2.751)	139.333	(498.093)	402.984	-	-	-
Total comprehensive expense	-	-	-	-	4.160	346.221	(204.259)	-	-	358.881	505.003	(2.400)	502.603
Net loss for the period	-	-	-	-	-	-	-	-	-	358.881	358.881	-	358.881
Foreign currency translation differences	-	-	-	-	-	-	1.484	-	-	-	1.484	-	1.484
Increase/(decrease) due to loss of control in subsidiaries	-	-	-	-	-	-	(205.743)	-	-	-	(205.743)	(2.400)	(208.143)
Gain on revaluation and measurement	-	-	-	-	4.160	-	-	-	-	-	4.160	-	4.160
Revaluation fund of property, plant and equipm	-	-	-	-	-	346.221	-	-	-	-	346.221	-	346.221
Balances as of 31 December 2021	**181.054**	**(365)**	**(125.435)**	**22.074**	**1.118**	**714.008**	**48.990**	**250.582**	**(914.843)**	**358.881**	**536.064**	**-**	**536.064**

The accompanying notes form an integral part of these consolidated financial statements.

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Cash flow from operating activities:			
Profit/(Loss) for the Period		**358.881**	**(402.949)**
Profit/(loss) from continuing operations for the period		358.203	(403.945)
Profit from discontinued operations for the period		678	996
Adjustments related to reconciliation of net loss for the period		**3.025.979**	**2.982.263**
Adjustments related to depreciation and amortisation expenses	18	907.185	843.084
Adjustments related to impairment on receivables	6	4.459	11.334
Adjustments related to impairment on inventory	8	77.759	25.776
Adjustments related to impairment on property, plant and	20	9.472	19.397
Adjustments related to provision for employee benefits	16	218.450	135.714
Adjustments related to provision for litigation and penalty	15	432.959	27.868
Adjustments related to interest income	19,21	(151.399)	(96.483)
Adjustments related to interest expense	22	985.182	901.183
Adjustments related to deferred financing expense due to forward purchases	19	1.116.476	551.788
Adjustments related to unearned finance income due to forward sales	19	(281.637)	(122.592)
Adjustments related to unrealized foreign currency translation	22	97.020	558.071
Adjustments related to fair value losses arising from derivatives	21	(32.021)	(7.971)
Adjustments related to tax expense	23	(132.716)	183.240
(Gain)/loss on sale of property plant and equipment	20	(12.047)	(48.146)
Adjustments related to gain on disposal of subsidiaries	20	(213.163)	-
Changes in net working capital		**1.029.279**	**1.074.292**
Adjustments related to increase in trade receivables		(5.367)	(65.584)
Adjustments related to increase in inventories		(1.413.496)	(737.705)
Adjustments related to increase in other receivables related with operations		(379.565)	(45.195)
Adjustments related to increase in trade payables		2.345.605	1.695.977
Adjustments related to increase in other payables related with operations		482.102	226.799
Cash flows from operating activities		**4.414.139**	**3.653.606**
Payments related to provisions for employee benefits	16	(57.822)	(49.295)
Interest received		429.887	213.301
Interest paid		(1.219.594)	(608.172)
Taxes paid		(144.703)	(172.141)
Payments related to provision for litigation	15	(17.728)	(14.432)
Net cash provided by operating activities		**3.404.179**	**3.022.867**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Cash flows from investing activities:			
Cash outflows from the purchase of property, plant and equipment and intangible assets	10-11	(969.388)	(539.496)
Cash inflows from the sale of property, plant and equipment and intangible assets		87.888	928.156
Cash inflows from the sale of non-current assets classified as held for sale		374.451	-
Cash outflows from discontinued operations		-	(60.300)
Net cash used in investing activities		**(507.049)**	**328.360**
Cash flows from financing activities			
Proceeds from borrowings	14	922.521	1.570.780
Repayment of borrowings	14	(1.923.239)	(2.748.401)
Repayment of derivative instruments		17.650	(28.809)
Interest received	21	677	6.312
Interest paid		(485.056)	(419.274)
Cash outflows from payments of rent agreements		(906.935)	(814.047)
Net cash provided by financing activities		**(2.374.382)**	**(2.433.439)**
Impact of foreign currency translation differences on cash and cash equivalents		**(121.200)**	**(15.304)**
Net increase in cash and cash equivalents		401.548	902.484
Cash and cash equivalents at the beginning of period	**4**	**3.230.793**	**2.328.309**
Cash and cash equivalents at the end of period	**4**	**3.632.341**	**3.230.793**

The accompanying notes form an integral part of these consolidated financial statements.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP

Migros Ticaret A.Ş., (collectively referred to as "Migros" or the "Company"), was established on 19 March 2008 and is registered in Istanbul, Turkey under the Turkish Commercial Code. (Migros Türk Ticaret Anonim Şirketi, which was established in 1954, merged with its parent company Moonlight Perakendecilik ve Ticaret Anonim Sirketi ("Moonlight Perakendecilik") on 30 April 2009 and the trade name of Moonlight Retailing was changed as Migros Ticaret A.Ş.)

The Company and its subsidiaries together will be referred as "the Group".

As of 31 December 2021, the indirect shares of AG Anadolu Grubu Holding A.Ş. ("Anadolu Group") is 50%.

Through its Migros, 5M, Migros Jet and Macrocenter banner stores in Turkey, shopping centers, and internet, the Group is mainly engaged in the retail sales of food and beverages, consumer and durable goods. The Company also rents floor space in the shopping malls to other trading companies. As of 31 December 2021, the Group operates in 2,565 stores in total (31 December 2020: 2,319) which comprise 1,664,533 m2 from 2,540 retail stores and 14,269 m2 from 25 wholesale stores with a total net space of 1,678,802 m2 (31 December 2020: 1,580,317 m2). As of the period end as at 31 December 2021, the Group employed 40,470 people (31 December 2020: 38,458). Retail is the main business segment of the Group and constitutes almost 96% of gross sales (31 December 2020: 97%).

The address of the registered office is as follows:

Migros Ticaret A.Ş.
Atatürk Mah.,Turgut Özal Blv.
No:7 Ataşehir, Istanbul

These consolidated financial statements have been approved for issue by the Board of Directors ("BOD") on 1 March 2022 and signed by Ö. Özgür Tort, General Manager, and Ferit Cem Doğan Assistant General Manager (Financial Affairs), on behalf of the BOD. The general assembly and certain regulatory bodies have the authority to make changes after the consolidated financial statements are published.

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the consolidated financial statements, their respective geographical segments are as follows:

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	December 2021 (%)	December 2020 (%)
Ramstore Kazakhstan LLC ("Ramstore Kazakistan")	Kazakhstan	Kazakhstan	Shopping center management	100,0	100,0
Dijital Platform Gıda Hizmetleri A.Ş. (*)	Turkey	Turkey	Food retail	100,0	-
Mimeda Medya Platform A.Ş. (*)	Turkey	Turkey	Media	100,0	-
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (*)	Turkey	Turkey	Services limited by e-money legislation	80,0	80,0
Paket Lojistik ve Teknolojik A.Ş. (*)	Turkey	Turkey	Logistics	25,0	25,0
Ramstore Macedonia DOO ("Ramstore Makedonya")	Macedonia	Bulgaria	Retail	-	99,0
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaristan")	Bulgaria	Bulgaria	Inactive	-	100,00

(*) It is not included in the scope of consolidation on the grounds of materiality.

NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP (cont'd)

Subsidiaries (cont'd):

The Group has sold 100% of its shares in our non-operating subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), which owns 99% of its subsidiary Ramstore Macedonia DOO ("Ramstore Macedonia"), with a share transfer agreement dated 9 March 2021.

To deliver its media assets to all advertisers more effectively and to reveal the true potential of data-based marketing activities, on 22 June 2021, the Group established a new media company titled Mimeda Medya Platform A.Ş. The company is a 100% subsidiary of Migros Ticaret A.Ş. and its founding capital is TL 1,500.

The Group has decided to develop these business lines under a separate company structure in order to better respond to the changing and diversifying demands of online retailing in food and similar business lines and to accelerate the development of the Group's online channels and within this scope, it has established a new company that will be a 100% subsidiary of the Group. Its founding capital is TL 10,000. The company was established with the title of "Digital Platform Gıda Hizmetleri AŞ" and was registered by the Istanbul Trade Registry on 27.10.2021.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards applied

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, the consolidated financial statements are prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRS contains Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations. The consolidated financial statements of the Group are prepared as per the CMB announcement of 15 April 2019 relating to financial statements presentations.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Group maintains its books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

2.1.1 Financial reporting standards applied (cont'd)

Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 17 March 2005 and numbered 11/367, for companies operating in Turkey and preparing financial statements in accordance with Turkish Accounting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in High Inflation Economies". In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

2.1.2 Changes in the accounting policies, estimates and errors

Significant changes in accounting policies and accounting errors are applied retrospectively and prior period consolidated financial statements are restated. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods.

2.1.3 Functional and reporting currency

Items in the financial information of each entity included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is the functional and reporting currency of Migros Ticaret A.Ş. The foreign currency position of the Group's assets and liabilities other than TL is presented in Note 28.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income.

The functional currencies of subsidiaries included in the consolidation are Tenge.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Accounting policies applied by subsidiaries can be changed in order to convenience with the accounting policies applied by the Group, when necessary. The accounting policies applied to the preperation of consolidated financial statements are summarized is as follows:

Basis of consolidation applied

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of the Group include Migros and its subsidiary Ramstore Kazakhstan LLC. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a basis within other operating income or other operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Revenue

The Group records revenue when fullfills performance obligation while transferring committed service or good to their customer. An asset is transferred when (or as) the control of an asset is transferred to the customer.

The Group records revenue accordance with the following 5 main principles:

• Determination of customer contracts
• Determination of performance obligation on contracts
• Determination of transaction fee on contracts
• Allocation of transaction price to performance obligation in contracts
• Revenue recognation when each performance obligation is fullfilled

The specific accounting policies for the Group's main types of revenue are explained below:

Sales of goods – Retail

The Group operates in the retail sales of food and beverages, consumer and durable goods through its stores, shopping centers, Ramstores Banner abroad and internet sales. Sales of goods are recognised when the performance obligation is fulfilled. Retail sales are usually made against a cash or credit card payment.

Within the scope of the Group customer loyalty program, customers who use loyalty cards earn points from their purchases. For these earned points, the probability of using them in the following periods is estimated and the relevant amount is recorded as sales discount.

Sales of Goods – Wholesale

Revenue from the sales of goods is recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Control transfer does not occur until the products were shipped to the specified location, the risks of obsolescence and loss were transferred to the wholesaler, the wholesaler accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has an objective evidence that all criteria for acceptance are satisfied.

Rent revenue

The Group recognises rent income on accrual basis based on the agreement.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined primarily on the basis of the weighted average cost method. For processed inventories, cost includes direct materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Borrowing costs are not included in inventory cost. Revenues and discounts from suppliers, sales premiums and advertising participation fees are accounted on an accrual basis and booked against cost of inventories. An inventory difference provision for the period covering the latest inventory count date and the balance sheet date has been included into the inventory impairment item.

Property, plant and equipment

Revaluation Method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists. With respect to TAS 16 "Property, Plant and Equipment", the Group has decided to choose revaluation model for lands and buildings by using the fair values determined in the 25 February 2022 dated valuation reports of Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. ("Nova Taşınmaz Değerleme") as of 31 December 2021. The first fair value application was adopted as of 31 December 2017.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfers from the revaluation fund to retained earnings are made unless the asset is derecognised.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Revaluation Method (cont'd)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Cost method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists.

Properties in the course of construction for production, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are also included in the cost.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When a property, plant and equipment is disposed of or no future economic benefits are expected from its use or sale, it is derecognised. The gain or loss resulting from the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is included in the profit or loss statement.

The depreciation period for property, plant and equipment which approximate the economic useful lives of such assets, are as follows:

	Useful lives (Year)
Buildings	25-50
Leasehold improvements	Over period of lease (*)
Machinery and equipment	4-10
Furniture and fixtures	5-12
Motor vehicles	5-8

(*) Leasehold improvements include the expenses made for the leased properties and are depreciated over the useful life of the leased property where the useful life is longer than the lease term, and over the useful life if it is shorter.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Cost Method (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the consolidated profit and loss statement. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Derecognition of property, plant and equipment

A property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets

Goodwill

Goodwill arises when purchasing subsidiaries and the amount of the transferred consideration, the amount of non-controlling interests in the acquiree and the fair value of the identifiable net assets in the acquiree, the excess of the fair value difference at the acquisition date of the equity interests in the acquiree previously held by the acquirer. If the total transferred consideration, recognized non-controlling interests and previously held interests measured at fair value are less than the fair value of the net assets of the acquired subsidiary, for example in a bargain purchase, the difference is recognized directly in the statement of profit or loss.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)

Goodwill (cont'd)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. The carrying amount of goodwill is compared with its recoverable value, which is the higher of its value in use and fair value less costs to sell. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and is not reversed in subsequent periods.

Brands

Brands that are acquired separately are accounted for at their acquisition cost, and brands that are acquired as a part of business combination are accounted for at their fair value in the consolidated financial statements. The Group assessed the useful life of brand as indefinite since there is no foreseeable limit to the period over which a brand is expected to generate net cash inflows for the Group. A brand is not subject to amortisation as it is considered to have an indefinite useful life. A brand is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount when the carrying amount of the brand exceeds its recoverable amount.

Rent agreements

Lease agreements are determined by the Group as identifiable intangible assets and consist of the lease agreements taken over from the stores it has purchased and the parts of the purchase price of the purchased stores exceeding the fair value of the purchased assets. Lease contracts are recorded at their fair values at the date of purchase, and amortised during the contract period.

The evacuation cost paid by the Group to the real estate owners or previous renters relating to rented stores except for the rental price at the beginning of the contract are presented under other intangible assets. These amounts are amortized throughout the lease and accounted for in marketing and sales expenses.

Computer softwares (Rights)

Rights arising on computer software are recognised at its acquisition cost. Computer software is amortised on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is 5 years.

Internally-generated intangible assets and development expenditures

Maintenance and research costs of computer software are expensed as they occur. Development costs for designing and testing identifiable and unique computer software controlled by the Group are recognized as intangible assets if the following conditions are met:

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)

Internally-generated intangible assets and development expenditures (cont'd)

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of the software includes all of the costs directly attributable to the software (such as software development labor costs and the share of software overhead) required by management to create, produce, and prepare the software in order for it to function as intended. Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development-related expenses that were initially recognized as an expense cannot be recognized as an asset at a later date.

Computer software development costs are capitalized and depreciated over their estimated useful lives.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset. This difference is recognised in profit or loss when the asset is derecognised.

Non-current assets held for sale

Non-current assets or asset groups that meet the criteria of asset held for sale are measured at the lower of its carrying amount and fair value less cost to sell. When the fair value is less than the carrying cost, an impairment loss is recognized as an expense in the consolidated income statement for the period.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the consolidated statement of financial position.

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group's financial instruments at fair value through profit or loss consist of forward contracts and interest rate swaps.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. The Group measures such assets at their fair values. Gains or losses arising from the related financial assets are recognized in other comprehensive income except foreign exchange gain or loss and impairment loss. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.2 for further information about the group's accounting for trade receivables and impairment policies.

Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Earnings per share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. As disclosed in Note 26, the Group's earnings per share are calculated in accordance with "Earning Per Share" ("TAS 33").

Income as per share stated in the consolidated statement of profit or loss is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

Events after the reporting period

Subsequent events are composed of any event between the balance sheet date and the publication date of the balance sheet, even if they arise after any announcements of profits or other financial data.

The Group restates its consolidated financial statements if such subsequent events arise (Note 32)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits in the notes.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. Contingent assets are disclosed in the notes of the consolidated financial statements, if there is a high probability that resources with economic benefits will flow to the entity.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Leases (cont'd)

The Group as lessee (cont'd)

- the amount expected to be payable by the lessee under residual value guarantees,
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Leases (cont'd)

The Group as lessee (cont'd)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net lease investment. The Group regularly reviews the estimated uncommitted residual values used in the calculation of the gross lease investment and in case of a decrease in the estimated uncommitted residual value, the Group revises the distribution of income over the lease term and reflects the reductions in the accrued amounts directly to the financial statements.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Related parties

Parties are considered related to the Group if;

a) directly, or indirectly through one or more intermediaries, the party:
   - controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
   - has an interest in the Company that gives it significant influence over the Company; or
   - has joint control over the Company,

b) the party is an associate of the Company,
c) the party is a joint venture in which the Company is a venture,
d) the party is member of the key management personnel of the Company or its parent,
e) the party is a close member of the family of any individual referred to in (a) or (d),
f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e),
g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Segment reporting of financial information

The operating segments are evaluated in parallel to the internal reporting and strategic sections presented to the organs or persons authorised to make decisions regarding the activities of the Group. The organs and persons authorised to make strategic decisions regarding the Group's activities with respect to the resources to be allocated to these sections and their evaluation are defined as the Group's senior managers of the Group. The Group's senior managers follow up the Group's activities on a geographical basis (Note 3).

Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current income tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated financial statements date.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Income taxes (cont'd)

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax rates which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset or liability of the assets and liabilities except for goodwill or business combinations are not calculated for temporary timing differences arising from the initial recognition and affecting both trading and financial profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee benefits/Employee termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision for the future probable liabilities of the Group arising from the retirement of the personnel in accordance with the Turkish Labor Law and the laws applicable in the countries in which the subsidiaries operate. Pursuant to the laws governing working life in Turkey and the Turkish Labor Law, the Group is required to collectively pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, who voluntarily leaves the job, is dismissed, dies or retires and reaches the retirement age. Provision allocated by using defined benefit plans' current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise.

Cash flow statement

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from retail and wholesale activities and lease income.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Summary of significant accounting policies (cont'd)

Cash flow statement (cont'd)

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months and which are subject to an insignificant risk of changes in value (Note 4).

Offsetting

A financial asset or liability can be offset and the net amount shown on the balance sheet only if the entity has a legal right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Dividend

The dividend distributed to the shareholders of the Company is reflected as a liability in the financial statements of the Group on the date it is approved by the shareholders of the Company. When entitled to receive dividends, it is recognized as income in the financial statements.

Paid in capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

Share premium represents differences resulting from the sales of the Group's subsidiaries' and investments valued by using equity method shares at a price exceeding the nominal value of those shares or differences between the nominal value and the fair value of shares issued for acquired companies bu the Group (Note 24).

Deferred finance income/expenses

Deferred finance income/expenses represent imputed finance income and expenses on credit sales and purchases. Such income and expenses calculated by using the effective interest method are recognised as financial income or expenses over the period of credit sale and purchases, and included under other operating income and expenses.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 Comparative information and restatement of prior period financial statements

The Group's consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained. In case of changes and errors in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively and the prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and if it is related to future periods, both in the period when the change is made and prospectively.

In order to comply with the presentation of the current period consolidated financial statements as of 31 December 2021, in the consolidated income statement for the period ended 31 December 2020, in-store production and e-commerce expenses amounting to TL 627,652, which were classified under marketing expenses, were classified under cost of sales.

2.4 Critical accounting estimates and assumptions

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment test

As explained in related accounting policy, the Group performs impairment tests on goodwill annually as of 31 December. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These value-in-use calculations include discounted after-tax cash flow projections, and these projections determined in TL are based on five-year long-term plans approved by Migros Ticaret management. Estimated cash flows beyond the five-year period are calculated without considering any growth rate. In value-in-use calculations, the annual discount rate is 14.8% (2020: 7.9%). The discount rate used is the post-tax discount rate and includes risks specific to the Group (Note 12).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Critical accounting estimates and assumptions (cont'd)

(b) Impairment on leasehold improvements

As explained in related accounting policy, property, plant and equipment are carried at the cost less accumulated depreciation and, if any, impairment. The Group evaluates its operational performance on a store-by-store basis and each store's continuity depends on the discounted net cash flow projections. Those cash flow projections are calculated, on a consistent basis to the Group's five year business plans and on a store-by-store basis by taking into consideration the remaining useful life of each store. In this context, the Group executes an impairment estimate on the leasehold improvements on stores where it is a lessee by considering the continuity of each store.

(c) Extension option in lease contracts

The lease obligation is determined by taking into account the extension options in the contracts. Most of the extension options included in the long-term lease contracts consist of applicable extension options by the Group. The Group reassesses the extension options in the lease term based on the medium-term business plans in the last year of the lease term and, if necessary, adds the extension right prospectively to the contract period. If the conditions change significantly, the assessment is reviewed by the Group.

(d) Explanations on fair value determination

As of the presentation of the consolidated financial statements as of 31 December 2021, the Group has excluded the cost model from the application methods in TAS 16 and chose the revaluation model for the presentation of land and buildings at their fair values. Revaluation studies of lands, building and investment properties have been performed by Nova Taşınmaz Değerleme, which is CMB accredited professional valuation Companies.

Lands and buldings in assets of the Group, which are located in Turkey, have been revaluated in 25 February 2022 dated valuation reports of Nova Taşınmaz Değerleme by using "Sample comparison approach analysis", and "Income approach".

"Income approach" method has been used in the valuation reports dated 31 December 2021 prepared by TSKB Gayrimenkul Değerleme to determine the fair market value of the land and buildings in the Group's assets and located in Kazakhstan.

As a result of revaluation study made by the experts, positive difference for lands and building amounting to TL 389,851 is accounted as TL 343,581 after net-off tax and minority effect "Revaluation Funds" under equity.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 New and Revised Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 *Interest Rate Benchmark Reform — Phase 2*

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group management assessed that the adoption of this amendment does not have any effect on the Group's financial statements.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018-2020	*Amendments to TFRS 1, TFRS 9, TFRS 16 and TAS 41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Amendments to Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 New and Revised Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of Turkish Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 September 2021*

Public Oversight Accounting and Auditing Standards Authority ("POA") has published *COVID-19 Related Rent Concessions beyond 30 September 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 New and Revised Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 September 2021 (cont'd)*

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 September 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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NOTE 3 - SEGMENT REPORTING

The Group management determines the operating segments based on the reports analyzed and found effective in strategic decision making by the Board of Directors.

Management assesses the Group's performance on a geographic level as Turkey and Kazakhstan since the gross sales of these subsidiaries are below 10% of the Group sales. Reportable operating segment revenue comprises primarily retail sales, rent income and wholesales. Rent income and wholesale revenues are not recognized as reportable segments as they are not stated in detail in the reports provided to the Board of Directors. The Board of Directors assesses the performance of the operating segments based on a measure of Earning Before Interest, Tax, Depreciation and Amortisation, ("EBITDA") and Earning Before Interest, Tax, Depreciation, Amortisation and Rent ("EBITDAR"). The Group calculates the EBITDA by deducting general administrative expenses and selling, marketing and distribution expenses and adding depreciation expenses, unused vacation liability paid in current period, employee termination benefit provision expense, unusued vacation liability expense on gross profit amount in consolidated statements of income.

The segment information provided to the Board of Directors as of 31 December 2021 and 2020 is as follows:

Segment analysis for the accounting period 1 January - 31 December 2021

2021	Turkey	Kazakhstan	Combined total	Intersegment eliminations	Total continuing	Total discontinued	Total
External revenue	36.240.111	32.132	36.272.243	-	36.272.243	60.704	36.332.947
Inter segment revenue	746	-	746	(746)	-		-
Income	36.240.857	32.132	36.272.989	(746)	36.272.243	60.704	36.332.947
Cost of sales	(27.508.694)	(9.792)	(27.518.486)	746	(27.517.740)	(44.332)	(27.562.072)
Gross profit	8.732.163	22.340	8.754.503	-	8.754.503	16.372	8.770.875
Marketing expenses	(6.316.398)	-	(6.316.398)	-	(6.316.398)	(13.463)	(6.329.861)
General administrative expenses	(438.159)	(12.951)	(451.110)	-	(451.110)	(1.871)	(452.981)
Addition: Depreciation and amortisation expenses	901.045	6.140	907.185	-	907.185	- 2.607	909.792
Addition: Provision for employment termination benefits	131.064	-	131.064	-	131.064	-	131.064
Addition: Provision for unused vacation	29.564	-	29.564	-	29.564	-	29.564
EBITDA (Including TFRS 16 Effect)	**3.039.279**	**15.529**	**3.054.808**	**-**	**3.054.808**	**3.645**	**3.058.453**
TFRS 16 Effect	(906.935)	-	(906.935)	-	(906.935)	-	(906.935)
EBITDA	**2.132.344**	**15.529**	**2.147.873**	**-**	**2.147.873**	**3.645**	**2.151.518**
Addition: Rent expense	1.601.518	2	1.601.520	-	1.601.520	2.805	1.604.325
EBITDAR	**3.733.862**	**15.531**	**3.749.393**	**-**	**3.749.393**	**6.450**	**3.755.843**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 3 - SEGMENT REPORTING (cont'd)

Segment analysis for the accounting period 1 January - 31 December 2020

2020	Turkey	Kazakhstan	Combined total	Intersegment eliminations	Total continuing	Total discontinued	Total
External revenue	28.637.361	152.829	28.790.190	-	28.790.190	349.882	29.140.072
Inter segment revenue	3.071	-	3.071	(3.071)	-	-	-
Income	28.640.432	152.829	28.793.261	(3.071)	28.790.190	349.882	29.140.072
Cost of sales	(21.913.234)	(108.812)	(22.022.046)	3.071	(22.018.975)	(259.303)	(22.278.278)
Gross profit	6.727.198	44.017	6.771.215	-	6.771.215	90.579	6.861.794
Marketing expenses	(5.000.155)	(34.597)	(5.034.752)	-	(5.034.752)	(61.740)	(5.096.492)
General administrative expenses	(334.432)	(20.969)	(355.401)	-	(355.401)	(25.371)	(380.772)
Addition: Depreciation and amortisation expenses	835.442	7.642	843.084	-	843.084	13.805	856.889
Addition: Provision for employment termination benefits	67.659	-	67.659	-	67.659	178	67.837
Addition: Provision for unused vacation	18.760	-	18.760	-	18.760	-	18.760
EBITDA (Including TFRS 16 Effect)	**2.314.472**	**(3.907)**	**2.310.565**	**-**	**2.310.565**	**17.451**	**2.328.016**
TFRS 16 Effect	(814.047)	-	(814.047)	-	(814.047)	-	(814.047)
EBITDA	**1.500.425**	**(3.907)**	**1.496.518**	**-**	**1.496.518**	**17.451**	**1.513.969**
Addition: Rent expense	1.273.618	12.550	1.286.168	-	1.286.168	16.028	1.302.196
EBITDAR	**2.774.043**	**8.643**	**2.782.686**	**-**	**2.782.686**	**33.479**	**2.816.165**

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NOTE 3 - SEGMENT REPORTING (cont'd)

A reconciliation of EBITDAR figure to profit before tax is provided as follows:

	Current period 1 January - 31 December 2021	Prior period 1 January - 31 December 2020
EBITDAR reported segments	3.749.393	2.782.686
Rent expenses	(1.601.520)	(1.286.168)
TFRS 16 Effect	906.935	814.047
EBITDA reported segments	**3.054.808**	**2.310.565**
Depreciation and amortisation	(907.185)	(843.084)
Provision for employement termination benefits	(131.064)	(67.659)
Provision for unused vacation liability	(29.564)	(18.760)
Other operating income	456.814	295.523
Other operating expense (-)	(1.584.691)	(642.633)
Operating profit	**859.118**	**1.033.952**
Income from investing activities	225.210	48.146
Expense from investing activities (-)	(9.472)	(19.397)
Operating profit beftore finance income	**1.074.856**	**1.062.701**
Financial income	267.008	303.192
Financial expense (-)	(1.116.377)	(1.586.598)
Profit/(loss) before tax	**225.487**	**(220.705)**

Assets and liabilities used in geographic segments

The figures provided to the Board of Directors with respect to total assets and liabilities are measured in a manner consistent with the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

	2021	2020
Turkey	17.909.110	14.859.851
Other countries	304.109	671.139
Segment assets	**18.213.219**	**15.530.990**
Less: Eliminations	(112.894)	(152.931)
Total assets of consolidated financial statement	**18.100.325**	**15.378.059**

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NOTE 3 - SEGMENT REPORTING (cont'd)

	2021	2020
Turkey	17.370.707	15.179.432
Other countries	250.425	254.473
Segment assets	**17.621.132**	**15.433.905**
Less: Eliminations	(56.871)	(89.307)
Total liabilities of consolidated financial statement	**17.564.261**	**15.344.598**

The distribution of investment expenditures by geographical regions for the periods ending as of 31 December 2021 and 2020 is as follows:

	2021	2020
Turkey	969.061	533.422
Other countries	327	6.074
	969.388	**539.496**

NOTE 4 - CASH AND CASH EQUIVALENTS

	2021	2020
Cash	129.577	151.082
Banks		
- demand deposit (*)	80.377	146.059
- time deposit	1.421.960	1.415.858
Cheques in collection	307	338
Credit card receivables	2.000.120	1.517.456
	3.632.341	**3.230.793**

(*) The Group transfers the cash in its stores registers to the bank on a daily basis. In accordance with the bank agreements, transfered cash amounts have temporary blockages for a certain period of time and available for use at the end of this period. As of 31 December 2021, a cash amount of TL 60,408 in bank accounts is temporarily blocked due to the mentioned cash transfer. (2020: TL 130,290).

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NOTE 4 - CASH AND CASH EQUIVALENTS (cont'd)

Weighted average effective interest rates on TL and EURO denominated time deposits as of 31 December 2021 are 18.4% and 0.3% respectively (2020: 17.8% and 2.0% per annum in TL and Euro, respectively).

Other cash and cash equivalents consist of credit card receivables. Credit card receivables with a maturity of less than one month are discounted at 31 December 2021 with annual rate of 20% (2020: 15.5%).

The maturity analysis of time deposits at 31 December 2021 and 2020 is as follows:

	2021	2020
1 - 30 days	1.421.792	1.415.858
30 - 90 days	168	-
90 - 180 days (*)	-	-
Over 180 days (*)	2.596	5.879
	1.424.556	**1.421.737**

(*) Time deposits with a maturity of more than 90 days are recognized in the financial investments account (Note 5).

NOT 5 - FINANCIAL INVESTMENTS

Financial assets

	2021	2020
Time deposit (*)	2.596	5.879
	2.596	**5.879**

(*) Related amount indicating the bank deposits with over 90 days maturity recognised as cash fund by the Group.

Financial assets carried at fair value through other comprehensive income / expense

	2021	2020
Long term financial assets carried at fair value through other comprehensive income/loss	97.059	10.815
	97.059	**10.815**

	2021		2020	
	TL	Share (%)	TL	Share (%)
Paket Lojistik ve Teknolojik A.Ş.	3.250	25	3.250	25
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.	82.309	80	7.565	80
Dijital Platform Gıda Hizmetleri A.Ş	10.000	100	-	-
Mimeda Medya Platform A.Ş	1.500	100	-	-
Total	**97.059**		**10.815**	

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade receivables:

	2021	**2020**
Receivables from tenants and wholesale activities	168.852	161.207
Doubtful trade receivables	101.879	83.330
Notes receivables	6.115	14.507
Due from related parties (Note 25)	4.067	154
Less: Provision for doubtful receivables	(101.879)	(83.330)
Less: Finance income not accrued on term sales	(1.129)	(1.343)
	177.905	**174.525**

The maturity of trade receivables is generally less than one month, and they were discounted with the annual rate of 20% as of 31 December 2021 (2020: 15.5%).

Movement of provision for doubtful receivables is as follows:

	2021	**2020**
Beginning of the Period	**83.330**	**71.996**
Current year charge	4.459	12.294
Transfers from non-current assets held for sale	-	(3.355)
Collections and provisions released	(2.875)	(2.114)
Foreign currency translation differences effect	16.965	4.509
End of the Period	**101.879**	**83.330**

Trade payables:

	2021	**2020**
Sellers	8.938.304	7.071.924
Trade payables to related parties (Note 25)	312.468	280.013
Expense accruals	562.306	115.536
Finance cost not accrued on term purchases	(231.197)	(128.079)
	9.581.881	**7.339.394**

The maturity of trade payables is generally less than three months and they are discounted with annual rate of 22.4% as of 31 December 2021 (2020: 15.6%).

Explanations on the nature and level of risks in trade receivables and payables are included in Note 27.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables

	2021	2020
Receivables from personnel	36.719	25.121
Receivables from insurance companies	5.010	2.689
Other	-	44
	41.729	**27.854**

Other long-term receivables

	2021	2020
Deposits and guarantees given	5.530	4.913
	5.530	**4.913**

Other short-term payables

	2021	2020
Other taxes and funds payable	149.543	113.275
Value added tax payables ("VAT")	37.744	54.093
Credit card bills collection account (*)	3.149	2.459
Other	34.585	8.887
	225.021	**178.714**

(*) It consists of credit card collections with maturities less than one month made in stores on behalf of banks.

Other long-term payables

	2021	2020
Deposits and guarantees received	25.877	29.232
	25.877	**29.232**

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NOTE 8 – INVENTORIES

	2021	**2020**
Raw materials	29.399	18.381
Work in progress	54.928	50.882
Finished goods and commodities	4.731.014	3.325.656
Other	12.378	19.304
Less: Provision for impairment on inventory	(152.402)	(74.643)
	4.675.317	**3.339.580**

Movement of impairment on inventory is as follows:

	2021	**2020**
Beginning of the Period	**74.643**	**48.867**
Provision used	(80.978)	(48.867)
Charge for the period	158.737	74.643
End of the Period	**152.402**	**74.643**

NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses

	2021	**2020**
Prepaid rent expenses	59.801	43.372
Prepaid insurance expenses	38.484	30.923
Advances given	1.058	32
Other prepaid expenes	55.645	39.856
	154.988	**114.183**

Long-term prepaid expenses

	2021	**2020**
Prepaid rent expenses	14.498	19.059
Advances given for property, plant and equipment	6.081	1.943
	20.579	**21.002**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME (cont'd)

Short-term liabilities from customer contracts

	2021	2020
Customer cheques	187.668	118.362
Deferred income	26.695	23.970
	214.363	**142.332**

Long-term deferred income

	2021	2020
Deferred income	10.727	25.081
	10.727	**25.081**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipments year ended at 31 December 2021 is as follows:

	1 January 2021	Additions	Disposals	Impairment (*)	Revaluation	Transfers	Transfer to non-current assets held for sale	Effect of the change in exchange rates	31 December 2021
Cost									
Land	590.907	-	(45.305)	-	211.088	-	-	8.064	764.754
Buildings	566.295	3.630	(21.055)	(7.863)	178.763	478	-	122.695	842.943
Leasehold improvements	961.105	156.648	(497)	(8.232)	-	50.905	-	-	1.159.929
Machinery and equipments	1.450.494	278.094	(36.576)	-	-	179.098	-	10.038	1.881.148
Motor vehicles	9.745	3.564	(645)	-	-	36	-	-	12.700
Furniture and fixtures	887.016	110.323	(20.831)	-	-	35.408	-	2.715	1.014.631
Construction in progress	116.491	317.774	-	-	-	(265.925)	-	-	168.340
	4.582.053	**870.033**	**(124.909)**	**(16.095)**	**389.851**	**-**	**-**	**143.512**	**5.844.445**
Accumulated depreciation									
Buildings	(41.710)	(17.570)	768	-	-	-	-	(17.619)	(76.131)
Leasehold improvements	(511.194)	(84.631)	388	6.623	-	-	-	-	(588.814)
Machinery and equipments	(743.695)	(148.527)	31.965	-	-	150	-	(7.146)	(867.253)
Motor vehicles	(3.385)	(2.368)	582	-	-	-	-	-	(5.171)
Furniture and fixture	(509.325)	(57.192)	17.321	-	-	-	-	(7.454)	(556.650)
	(1.809.309)	**(310.288)**	**51.024**	**6.623**	**-**	**150**	**-**	**(32.219)**	**(2.094.019)**
Net book value	**2.772.744**								**3.750.426**

(*) Impairment amounting to TL 9.472 consists of leasehold improvements of the stores closed in 2021 and fair value changes in lands and buildings (Note 20).

As of 31 December 2021 and 2020, there is no mortgage on property, plant and equipment.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (cont'd)-

Movement of property, plant and equipments year ended at 31 December 2020 is as follows:

	1 January 2020	Additions	Disposals	Impairment (*)	Revaluation	Transfers	Transfer to non-current assets held for sale	Effect of the change in exchange rates	31 December 2020
Cost									
Land	1.288.070	-	(658.498)	(1.240)	40.422	-	(97.841)	19.994	590.907
Buildings	1.048.096	4.901	(372.588)	(14.078)	12.545	1.284	(182.513)	68.648	566.295
Leasehold improvements	899.000	80.685	(9.531)	(10.768)	-	2.247	(14.351)	13.823	961.105
Machinery and equipments	1.279.878	200.631	(38.191)	-	-	14.482	(33.512)	27.206	1.450.494
Motor vehicles	10.988	2.281	(449)	-	-	-	(4.110)	1.035	9.745
Furniture and fixtures	840.781	102.357	(12.535)	-	-	480	(61.875)	17.808	887.016
Construction in progress	54.913	99.090	-	-	-	(39.057)	-	1.545	116.491
	5.421.726	**489.945**	**(1.091.792)**	**(26.086)**	**52.967**	**(20.564)**	**(394.202)**	**150.059**	**4.582.053**
Accumulated depreciation									
Buildings	(29.461)	(28.076)	37.770	-	-	-	22.978	(44.921)	(41.710)
Leasehold improvements	(459.195)	(69.180)	7.532	6.689	-	-	5.715	(2.755)	(511.194)
Machinery and equipments	(684.063)	(111.716)	35.142	-	-	(30)	25.666	(8.694)	(743.695)
Motor vehicles	(3.378)	(2.052)	407	-	-	-	2.227	(589)	(3.385)
Furniture and fixture	(509.391)	(54.035)	10.598	-	-	(635)	59.452	(15.314)	(509.325)
	(1.685.488)	**(265.059)**	**91.449**	**6.689**	**-**	**(665)**	**116.038**	**(72.273)**	**(1.809.309)**
Net book value	**3.736.238**								**2.772.744**

(*) Impairment amounting to TL 19.397 consists of leasehold improvements of the stores closed in 2020 and fair value changes in lands and buildings (Note 20).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 11 - INTANGIBLE ASSETS

Other Intangible Assets

Movement table of intangible assets for the period ended 31 December 2021 is as follows;

	1 January 2021	Additions	Disposals	Transfers	Transfer to non-current assets held for sale	Effect of the change in exchange rates	31 December 2021
Cost							
Trademark	2.787	-	-	-	-	-	2.787
Rent agreements	39.131	-	-	-	-	-	39.131
Rights	470.376	99.355	(4.852)	-	-	3.189	568.068
Other intangible assets	170.167	-	-	-	-	-	170.167
	682.461	**99.355**	**(4.852)**	**-**	**-**	**3.189**	**780.153**
Accumulated amortisation							
Rent agreements	(36.176)	(956)	-	-	-	-	(37.132)
Rights	(340.426)	(74.517)	4.591	(150)	-	(3.171)	(413.673)
Other intangible assets	(119.180)	(1.149)	-	-	-	-	(120.329)
	(495.782)	**(76.622)**	**4.591**	**(150)**	**-**	**(3.171)**	**(571.134)**
Net book value	**186.679**						**209.019**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS (cont'd)

Other Intangible Assets (cont'd)

Movement table of intangible assets period ended at 31 December 2020 is as follows;

	1 January 2020	Additions	Disposals	Transfers	Transfer to non-current assets held for sale	Effect of the change in exchange rates	31 December 2020
Cost							
Trademark	2.787	-	-	-	-	-	2.787
Rent agreements	39.131	-	-	-	-	-	39.131
Rights	408.899	49.551	(5.468)	20.364	(5.927)	2.957	470.376
Other intangible assets	169.302	-	-	865	-	-	170.167
	620.119	**49.551**	**(5.468)**	**21.229**	**(5.927)**	**2.957**	**682.461**
Accumulated amortisation							
Rent agreements	(35.403)	(773)	-	-	-	-	(36.176)
Rights	(290.041)	(56.212)	4.010	-	3.700	(1.883)	(340.426)
Other intangible assets	(101.842)	(17.338)	-	-	-	-	(119.180)
	(427.286)	**(74.323)**	**4.010**	**-**	**3.700**	**(1.883)**	**(495.782)**
Net book value	**192.833**						**186.679**

Amortization on intangible assets are expensed under sales and marketing expenses.

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NOTE 12 - GOODWILL

	2021	2020
Opening balance	2.252.992	2.252.992
Closing balance	**2.252.992**	**2.252.992**

Impairment tests for goodwill:

The whole amount of goodwill is related to the acquisition of Migros, the Group management considers the synergy to be created by the important domestic market position as the main reason for the goodwill. Accordingly, the Group management allocated the above mentioned goodwill amount to Turkish domestic operations which is the main cash generating unit, considering its market share and importance of the total turnover of the domestic operations in the Group consolidation.

The recoverable amount of cash-generating unit was determined based on value-in-use calculations. These value-in-use calculations include the discounted after tax cash flow projections, which are based on TL budgets approved by the Group management covering an five year period.

Subsequent projected cash flows over a five year period were calculated without regard to any growth rate, and the analysis predicted that the existing profitability structure would be preserved.

In the calculations made as of 31 December 2021, the future cash flows calculated with balance sheet date prices are discounted with an average of 14.8%. The discount rate used is the after-tax discount rate and includes risks specific to the Group. The fact that the after-tax discount rate used in the calculation of discounted cash flows is higher/lower by 1% (such as 15,8 % or 13,8% instead of 14,8%) causes a decrease/increase of TL 262.994 (2020: TL 872.886) in the fair value calculations for which sales costs are deducted, as of 31 December 2021. Within the context of analysis performed by the Group Management, above mentioned changes in the key assumptions on which recoverable amount is based would not cause carrying amount to exceed its recoverable amount.

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NOTE 13 – RIGHT-OF-USE ASSETS

The movement table of right-of-use assets for the year ended 31 December 2021 and 2020 is as follows:

	1 January 2021	Additions	Disposals	31 December 2021
Cost				
Buildings	3.754.329	550.351	(39.690)	4.264.990
Accumulated depreciation				
Buildings	(964.585)	(520.275)	5.336	(1.479.524)
Net book value	**2.789.744**			**2.785.466**

	1 January 2020	Additions	Disposals	31 December 2020
Cost				
Buildings	2.769.878	999.250	(14.799)	3.754.329
Accumulated depreciation				
Buildings	(451.334)	(515.067)	1.816	(964.585)
Net book value	**2.318.544**			**2.789.744**

Amortisation expenses related to right-of-use assets have been expensed under sales and marketing expenses.

Short-term lease liabilities

	2021	2020
Lease liabilities	759.335	597.777
	759.335	**597.777**

Long-term lease liabilities

	2021	2020
Lease liabilities	2.349.110	2.336.754
	2.349.110	**2.336.754**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 14 - FINANCIAL LIABILITIES

	31 December 2021		
	Effective interest rate (%)	**Original currency**	**Total (TL equivalent)**
Short-term borrowings			
With fixed interest rate - TL	17,87	459.096	459.096
With floating interest rate - TL	17,87	256.764	256.764
Total short-term borrowings			**715.860**
Current portion of long-term borrowings			
With floating interest rate - TL	20,31	49.654	49.654
With fixed interest rate - TL	16,98	486.504	486.504
KZK Loan - Euro	4,50	23	341
KZK Loan - Tenge	13,97	1.065.687	32.965
Total current portion of long-term borrowings			**569.464**
Total current bank borrowings			**1.285.324**
Non-current bank borrowings			
With floating interest rate - TL	20,31	249.929	249.929
With fixed interest rate - TL	16,85	1.291.278	1.291.278
KZK Loan - Euro	4,50	4.600	69.399
KZK Loan - Tenge	13,97	2.437.132	75.389
Total non-current bank borrowings			**1.685.995**
Total financial liabilities			**2.971.319**

The redemption schedule of borrowings with effective interest rate at 31 December 2021 is as follows:

	Tenge loan TL equivalent	**Euro loan TL equivalent**	**TL loan**	**Total (TL equivalent)**
1 January 2022 - 31 December 2022	32.965	341	1.252.018	1.285.324
1 January 2023 - 31 December 2023	36.334	24.139	718.502	778.975
1 January 2024 - 31 December 2024	31.109	45.260	487.819	564.188
1 January 2025 - 31 December 2025	7.945	-	280.732	288.677
1 January 2026 - 31 December 2026	-	-	54.155	54.155
	108.353	**69.740**	**2.793.226**	**2.971.319**

The fair value of borrowings as of 31 December 2021 is TL 2.936.696.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 14 - FINANCIAL LIABILITIES (cont'd)

The redemption schedule of principal amounts of borrowings at 31 December 2021 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total (TL equivalent)
1 January 2022 - 31 December 2022	32.010	-	938.119	970.129
1 January 2023 - 31 December 2023	36.334	24.139	663.857	724.330
1 January 2024 - 31 December 2024	31.109	45.260	572.013	648.382
1 January 2025 - 31 December 2025	7.945	-	423.719	431.664
1 January 2026 - 31 December 2026	-	-	111.408	111.408
	107.398	**69.399**	**2.709.116**	**2.885.913**

As of 31 December 2021, the payment schedule of borrowings in accordance with the contracts is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total (TL equivalent)
1 January 2022 - 31 December 2022	40.786	2.610	1.360.531	1.403.927
1 January 2023 - 31 December 2023	42.932	27.262	924.558	994.752
1 January 2024 - 31 December 2024	33.997	45.773	736.195	815.965
1 January 2025 - 31 December 2025	8.362	-	501.354	509.716
1 January 2026 - 31 December 2026	-	-	132.604	132.604
	126.077	**75.645**	**3.655.242**	**3.856.964**

The Group has the obligation to comply with the various credit commitments in the loan agreement in the interest of the said bank credits. The financial ratios calculated on the consolidated financial statements as at 31 December 2021 are in line with the provisions of the bank loan agreement.

The movement schedule of borrowings as of 31 December 2021 and 2020 is as follows:

	1 January-31 December 2021	1 January-31 December 2020
Beginning balance	**3.837.750**	**4.403.039**
Proceeds of borrowings	922.521	1.570.780
Payments	(1.923.239)	(2.748.401)
Foreign exchange losses	97.020	558.071
Changes in interest accrual	(4.361)	54.261
Change due to subsidiary sale	41.628	-
Closing balance	**2.971.319**	**3.837.750**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 14 - FINANCIAL LIABILITIES (cont'd)

	31 December 2020		
	Effective interest rate (%)	**Original currency**	**Total (TL equivalent)**
Short-term borrowings			
With fixed interest rate - TL	14,84	657.772	657.772
With floating interest rate - TL	21,47	486.571	486.571
Total short-term borrowings			**1.144.343**
Current portion of long-term borrowings			
With floating interest rate - EUR	5,29	4.614	41.563
With fixed interest rate - TL	11,79	333.392	333.392
With floating interest rate - TL	16,65	34.213	34.213
KZK Loan - Tenge	11,53	249.569	4.354
Total current portion of long-term borrowings			**413.522**
Total current bank borrowings			**1.557.865**
Non-current bank borrowings			
With floating interest rate - EUR	5,29	90.102	811.629
With fixed interest rate - TL	11,79	1.187.555	1.187.555
With floating interest rate - TL	16,65	220.123	220.123
KZK Loan - Tenge	11,53	3.471.945	60.578
Total non-current bank borrowings			**2.279.885**
Total financial liabilities			**3.837.750**

The redemption schedule of borrowings with effective interest rate as of 31 December 2020 is as follows:

	Tenge loan TL equivalent	**Euro loan TL equivalent**	**TL loan**	**Total (TL equivalent)**
1 January 2021 - 31 December 2021	4.354	41.563	1.511.948	1.557.865
1 January 2022 - 31 December 2022	18.055	39.682	547.261	604.998
1 January 2023 - 31 December 2023	20.495	771.947	324.242	1.116.684
1 January 2024 - 31 December 2024	17.547	-	348.639	366.186
1 January 2025 - 5 June 2025	4.481	-	187.536	192.017
	64.932	**853.192**	**2.919.626**	**3.837.750**

The fair value of borrowings as of 31 December 2020 is TL 3.856.169.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 14 – FINANCIAL LIABILITIES (cont'd)

The redemption schedule of principal amounts of borrowings at 31 December 2020 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total (TL equivalent)
1 January 2021 - 31 December 2021	3.695	-	1.241.414	1.245.109
1 January 2022 - 31 December 2022	18.055	-	448.978	467.033
1 January 2023 - 31 December 2023	20.494	852.554	308.575	1.181.623
1 January 2024 - 31 December 2024	17.547	-	450.729	468.276
1 January 2025 - 5 June 2025	4.481	-	378.312	382.793
	64.272	**852.554**	**2.828.008**	**3.744.834**

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings as of 31 December 2020 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total (TL equivalent)
1 January 2021 - 31 December 2021	10.711	41.059	1.586.029	1.637.798
1 January 2022 - 31 December 2022	24.023	41.284	713.245	778.552
1 January 2023 - 31 December 2023	24.216	872.691	475.567	1.372.474
1 January 2024 - 31 December 2024	19.176	-	557.479	576.654
1 January 2025 - 5 June 2025	4.716	-	420.078	424.794
	82.842	**955.034**	**3.752.397**	**4.790.272**

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	**2021**	**2020**
Competition board penalty (Note 32)	388.254	-
Provisions for litigation	121.537	94.561
Provisions for customer loyalty programs	1.127	2.344
Other	-	1.982
	510.918	**98.887**

Within the scope of the Competition Authority's investigation with file number 2020-3-019 on chain markets and suppliers, and on the grounds that Article 4 of Law No. 4054 has been violated, the Group has been notified on 17 January 2022 that an administrative fine of TL 517.672 has been imposed. Following the date of 17 February 2022, when the reasoned decision was notified, it was decided to pay the administrative fine within 30 days by taking advantage of 25% legal discount. Based on this decision regarding the Competition Authority penalty, the provision amount of TL 388.254 was reflected in the consolidated financial statements, and the payment of the relevant amount was made on 11 February 2022 with a caution.

The payment of the fine or its reflection on the Company's financial statements does not mean that the charges subject to the penalty have been accepted, and a lawsuit has been filed in the relevant court regarding the cancellation of the penalty within the legal period.

There are various lawsuits filed against or in favour of the Group. Receivables, rent or labour disputes constitute the majority of these lawsuits.

Movements during the period for lawsuit provision are as follows:

	2021	**2020**
Beginning Balance	94.561	81.125
Increase during period	44.704	27.868
Payments during period	(17.728)	(14.432)
Ending balance	**121.537**	**94.561**

As of 31 December 2021, a certain amount of provision has been made over the total lawsuits in line with the opinion received from the legal consultancy of the Group.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Collaterals, Pledges, Mortgages ("CPM")

31 December 2021:

	TL Equivalent	TL	USD	EUR
A. CPM given on behalf of the Company's legal personality	231.077	222.403	651	-
B. CPM given on behalf of fully consolidated subsidiaries	144.788	-	5.656	4.600
Total collaterals, pledges and	**375.865**	**222.403**	**6.307**	**4.600**
Proportion of the other CPM's to equity (%)	-			

31 December 2020:

	TL Equivalent	TL	USD	Avro
A. CPM given on behalf of the Company's legal personality	242.637	237.861	651	-
B. CPM given on behalf of fully consolidated subsidiaries	60.578	-	8.253	-
Total collaterals, pledges and	**303.215**	**237.861**	**8.904**	-
Proportion of the other CPM's to equity (%)	-			

Contingent assets and liabilities

Guarantees given as of 31 December 2021 and 2020 are as follows:

	2021	2020
Letter of guarantees given	375.865	303.215
	375.865	**303.215**

Guarantees received as of 31 December 2021 and 2020 are as follows:

	2021	2020
Guarantees obtained from customers	279.196	224.732
Mortgages obtained from customers	21.280	16.129
	300.476	**240.861**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 16 - EMPLOYEE BENEFITS

	2021	2020
Due to personnel	219.193	181.653
Social security deductions to be paid	72.557	57.472
	291.750	**239.125**

	2021	2020
Provision for employee termination benefits	383.554	257.690
Provision for unused vacation	187.690	158.126
	571.244	**415.816**

The movement of the provision for unused vacation for the years ended as of 31 December 2021 and 2020 is presented below:

	2021	2020
Beginning balance	**158.126**	**139.366**
Provision during period	41.794	26.218
Used during period	(12.230)	(7.458)
Ending balance	**187.690**	**158.126**

Provision for employment termination benefits:

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and who reaches the retirement age, whose employment is terminated without due cause, is enlisted for military service or passed away. The termination benefit to be paid is one month wage per a service year up to the maximum employment termination benefit limit.

In the consolidated financial statements as of 31 December 2021 and 2020, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

The following actuarial assumptions were used in the calculation of the total liability:

	2021	2020
Discount rate (%)	4,35	4,15
Turnover rate to estimate the probability of retirement (%)	91,91 - 100,00	88,87 - 100,00

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NOTE 16 - EMPLOYEE BENEFITS (cont'd)

Provision for employment termination benefits (cont'd):

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of TL 10.848,59 effective from 1 January 2022 (1 January 2021: TL, 7.638,96) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

In the calculation, the employees were separated into two groups based on the working years in the Group: 0-14 years and 15 years and above. The probability of retirement is used as 91,91% and 100% for the employees working 0-14 years and 15 years and above, respectively.

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

- In case the discount rate is 1% higher (lower), the severance pay liability will decrease (increase) by TL 34.714 (TL 44.712).

The movement of the severance pay provision account for the years ended as of 31 December 2021 and 2020 is presented below:

	2021	**2020**
Beginning balance	**257.690**	**204.503**
Provision during period	176.656	109.496
Provisions for discontinued operations	-	(506)
Payments during period	(45.592)	(41.837)
Actuarial (gain)/loss	(5.200)	(13.966)
Ending balance	**383.554**	**257.690**

NOTE 17 – REVENUE AND COST OF SALES

	2021	**2020**
Domestic sales	36.833.476	29.074.462
Foreign sales	31.324	149.695
Other sales	46.187	37.001
Gross sales income	**36.910.987**	**29.261.158**
Discounts and returns (-)	(638.744)	(470.968)
Sales income, net	**36.272.243**	**28.790.190**
Cost of sales	(27.517.740)	(22.018.975)
Gross profit	**8.754.503**	**6.771.215**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOT 17 - REVENUE AND COST OF SALES (cont'd)

Details of domestic and foreign sales before other sales, discounts and returns are as follows:

	2021	**2020**
Retail sales revenue	35.487.485	28.327.746
Wholesale revenue	1.165.865	757.699
Rent income	211.450	138.712
	36.864.800	**29.224.157**

NOTE 18 - EXPENSES BY NATURE

Total	**1 January - 31 December 2021**	**1 January - 31 December 2020**
Personnel expenses	3.308.763	2.701.718
Depreciation and amortisation	907.185	843.084
Rent and common area expenses	873.672	590.807
Energy expenses	465.906	362.232
Porterage and cleaning	239.735	190.000
Advertising expenses	182.969	139.165
Mechanisation expenses	212.094	130.616
Repair and maintenance expenses	123.105	85.699
Security expenses	75.634	62.937
Taxes, duties and fees	34.690	33.329
Communication expenses	24.061	17.576
Other	319.694	232.990
	6.767.508	**5.390.153**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 18 - EXPENSES BY NATURE (cont'd)

Marketing expenses	1 January - 31 December 2021	1 January - 31 December 2020
Personnel expenses	2.974.019	2.433.025
Depreciation and amortisation	907.185	843.084
Rent and common area expenses	859.835	582.349
Energy expenses	462.984	359.784
Porterage and cleaning	233.616	184.643
Advertising expenses	182.965	139.151
Mechanisation expenses	196.416	120.893
Repair and maintanence expenses	106.353	83.350
Security expenses	73.274	60.855
Taxes, duties and fees	31.337	28.813
Communication expenses	19.282	15.155
Other	269.132	183.650
	6.316.398	**5.034.752**

General administrative expenses	2021	2020
Personnel expenses	334.744	268.693
Other	116.366	86.708
	451.110	**355.401**

Expenses by nature in cost of sales for the year ended at 1 January - 31 December 2021 and 2020 are as follows:

	2021	2020
Cost of trade goods sold	(27.483.280)	(21.971.415)
Cost of service rendered	(34.460)	(47.560)
	(27.517.740)	**(22.018.975)**

Cost of trade goods sold includes turnover premiums and discounts received from sellers. Service costs comprise energy, advertising, cleaning, security and administrative expenses incurred in the Group's shopping malls.

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NOTE 19 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	2021	2020
Interest income on term sales	281.637	122.592
Interest income from operating activities	150.722	90.171
Other	24.455	82.760
	456.814	**295.523**

Other operating expenses	2021	2020
Interest expense on term purchases	(1.116.476)	(551.788)
Provision for competition board penalty expense (Note	(388.254)	-
Provision for litigation and penalty expense	(44.704)	(27.868)
Provision for doubtful receivables expense	(4.459)	(11.334)
Other	(30.798)	(51.643)
	(1.584.691)	**(642.633)**

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NOTE 20 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities	2021	2020
Gain on sale of property, plant and equipment and assets held for sale	12.047	48.146
Gain on sale of subsidiaries	213.163	-
	225.210	**48.146**

Expense from investing activities	2021	2020
Impairment on property, plant and equipment	(7.863)	(15.318)
Closing store special cost expenses	(1.609)	(4.079)
	(9.472)	**(19.397)**

NOTE 21 - FINANCE INCOME

	2021	2020
Foreign exchange gains	228.851	250.013
Interest income on deposits	677	6.312
Financial income on derivatives	37.480	36.780
Other	-	10.087
	267.008	**303.192**

NOTE 22 - FINANCE EXPENSES

	2021	2020
Interest expense on leasings	(503.735)	(428.469)
Interest expense on bank borrowings	(481.447)	(472.714)
Foreign exchange losses	(40.471)	(582.230)
Financial expense on derivatives	(5.459)	(28.809)
Other	(85.265)	(74.376)
	(1.116.377)	**(1.586.598)**

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NOTE 23 - TAX ASSETS AND LIABILITIES

	2021	2020
Income and corporate taxes payable	185.780	190.924
Less: Prepaid corporate taxes	(136.495)	(182.716)
Current tax liabilities/(assets)	**49.285**	**8.208**

	2021	2020
Deferred tax assets	312.225	196.662
Deferred tax liabilities	(45.118)	(209.667)
Deferred tax assets/(liabilities), net	**267.107**	**(13.005)**

General Information

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

For 2021, in Turkey, corporate tax rate is 25% (it will be 23% for 2022 and 20% in the following periods) (2020: 22%).

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated December 5, 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

The Group calculates deferred income tax assets and liabilities based on the temporary difference between the financial statements prepared in accordance with TFRS and the financial statements prepared in accordance with statutory accounts. The tax rate used in the calculation of deferred tax assets and liabilities calculated according to the liability method over temporary differences that will occur in future periods is 23% over temporary timing differences expected to reverse in 2022 (2020: 22%) and 20% after 2022 (2020: 22%).

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NOTE 23- TAX ASSETS AND LIABILITIES (cont'd)

	2021	2020
Profit/(loss) before tax	225.487	(220.705)
Calculated tax income according to parent company rax rate (25%)	(56.372)	48.555
Differences in tax rate of subsidiaries	(491)	(9.827)
Expected tax (expense)/income of the Group	**(56.863)**	**38.728**
Effect of non-deductable expenses	(171.455)	(269.894)
Exemptions for R&D and other discounts	12.452	8.521
Tax effect of other income exempt from tax	30.442	43.191
Temporary differences for which no deferred tax is calculated	31.152	-
Effective tax rate difference	13.912	-
Revaluation effect of property, plant and equipment and intangible assets	271.175	-
Other differences	1.901	(3.786)
The Group's tax income/(expense)	**132.716**	**(183.240)**

The details of tax expense for the periods ended 31 December 2021 and 2020 are as follows:

	2021	2020
Current period tax expense	(191.852)	(192.269)
Deferred tax expense	324.568	9.029
Total current period tax income/(expense)	**132.716**	**(183.240)**

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NOTE 23 - TAX ASSETS AND LIABILITIES (cont'd)

Deferred taxes

As of 31 December 2021 and 2020, the deferred tax assets and liabilities calculated using the total temporary differences and the enacted tax rates are as follows:

	Accumulated temporary differences		Deferred tax assets/(liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets:				
Short-term provisions	275.202	252.687	63.296	50.537
Inventories	358.208	193.538	82.388	38.708
Provision for employee termination benefits	383.554	257.690	76.711	51.538
Finance income not accrued from future sales	1.129	1.343	260	269
Fair value change of derivative instruments	-	-	-	-
Right-of-use asset	372.117	266.774	85.587	53.355
Other	17.393	11.276	3.983	2.255
Deferred tax assets	**1.407.603**	**983.308**	**312.225**	**196.662**
Deferred tax liabilities:				
Fair value change of derivative instruments	(23.035)	(8.663)	(5.298)	(1.733)
Property, plant and equipment and intangible assets	121.966	(1.093.910)	18.633	(178.611)
Finance expense not accrued from future sales	(232.093)	(128.326)	(53.381)	(25.665)
Other	(23.481)	(18.281)	(5.072)	(3.658)
Deferred tax liabilities	**(156.643)**	**(1.249.180)**	**(45.118)**	**(209.667)**
Total deferred tax liability, net	**1.250.960**	**(265.872)**	**267.107**	**(13.005)**

Deferred tax movement within the period is as follows:

	2021	2020
Beginning balance	**(13.005)**	**(27.286)**
Deferred tax expense from continuing operations	324.568	9.029
Recognized under equity	(47.310)	1.202
Foreign currency translation difference	2.854	4.051
Ending balance	**267.107**	**(13.005)**

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NOTE 24 - EQUITY

The Company's authorised and issued capital consists of 18.105.423.300 shares at 1 shares of Kr1 nominal value as of 31 December 2021, and has no preferred stocks.

The partners and partnership shares of the Company are as follows:

	31 December 2021		31 December 2020	
	TL	Share (%)	TL	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89.046	49,18	89.046	49,18
Kenan Investments S.A.	-	-	21.308	11,77
Migros Ticaret A.Ş.	2.962	1,64	2.962	1,64
Other	89.046	49,18	67.738	37,41
Total paid-in capital	**181.054**	**100,00**	**181.054**	**100,00**
Treasury shares (-)	**(125.435)**		**(125.435)**	

In the utilisation process of separation funds for Kipa shareholders due to the merger, Migros shares with a total nominal value of TL 2.962, corresponding to Kipa shares with a total nominal value of TL 48.998 which were converted to Migros shares due to the merger were purchased by Migros with a total amount of TL 125.435 within the scope of separation funds.

NOTE 25 - RELATED PARTY DISCLOSURES

As of 31 December 2021 and 2020, receivables from and payables to related parties are as follows:

a) Balances with the related parties

Trade receivables from related parties	31 December 2021	31 December 2020
Mimeda Medya Platform A.Ş	3.000	-
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.	699	2
Anadolu Motor Üretim ve Pazarlama A.Ş.	117	80
Anadolu Restoran İşl. Ltd. Şti.	114	-
Other	137	72
	4.067	**154**

Trade payables to related parties	31 December 2021	31 December 2020
Anadolu Efes Pazarlama ve Dağıtım Ticaret A.Ş.	175.214	162.315
Coca Cola Satış ve Dağıtım A.Ş.	112.804	78.381
AEH Sigorta Acenteliği A.Ş.	104	17.731
Adel Kalemcilik Ticaret ve San. A.Ş.	16.170	10.498
AEH Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	8.028	8.889
Other	148	2.199
	312.468	**280.013**

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NOTE 25 - RELATED PARTY DISCLOSURES (cont'd)

b) Transactions with related parties

Goods purchases	31 December 2021	31 December 2020
Anadolu Efes Pazarlama ve Dağıtım Ticaret A.Ş.	628.561	387.859
Coca Cola Satış ve Dağıtım A.Ş.	490.253	253.196
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	43.238	18.046
Adel Kalemcilik Ticaret ve San. A.Ş.	17.093	10.717
	1.179.145	**669.818**

Other Transactions	31 December 2021	31 December 2020
Rent income	1.445	604
Rent expenses	(6.810)	(5.843)
Other income	815	419
Other transactions, net	**(4.550)**	**(4.820)**

c) Key management compensation

The Group has determined key management personnel as chairman, members of Board of Directors, general manager and vice general managers.

Total compensation provided to key management personnel by Group for the period ended 31 December 2021 and 2020 is as follows:

	2021	2020
Short-term benefits	71.186	65.746
	71.186	**65.746**

Key management compensation paid or payable consists of salaries, premiums, individual pension premiums, vehicle rents and SSI employer shares.

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NOTE 26 – EARNINGS PER SHARE

Earnings per share is calculated by dividing net (loss) / profit by the weighted average number of shares outstanding during the reporting period. The Company has no diluted instruments. As of 31 December 2021 and 2020, (loss) / earnings per share is as follows:

	2021	**2020**
Net (loss)/profit attributable to shareholders	358.881	(402.984)
Weighted average number of shares with Kr 1 face value each ('000)	18.105.233	18.105.233
Earnings/(loss) per share	**1,98**	**(2,23)**

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential adverse effects on the financial performance of the Group.

Individual subsidiaries manage their risk under policies approved by their Boards of Directors.

Interest rate risk

The Group management invests its interest bearing assets on short-term investments with the principle of balancing the maturity of the assets and liabilities that are sensitive to the interest rate changes.

The interest position table of the Group as of 31 December 2021 and 2020 is as follows:

	2021	2020
Financial instruments with fixed interest rate		
Time deposits	1.424.556	1.421.737
Financial liabilities	2.414.972	2.243.651
Lease liabilities	3.108.445	2.934.531
Financial instruments with floating interest rate		
Financial liabilities	556.347	1.594.099

Liquidity and funding risk:

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The funding risk of the current and future debt requirements is managed through the continuous availability of qualified lenders. As of 31 December 2021, the Group's financial debt with a maturity longer than 1 year is TL 1.685.995 (2020: TL 2.279.885).

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

The maturity analysis of the Group's financial liabilities as of 31 December 2021 and 2020 is as follows:

Non derivative financial liabilities:

31 December 2021	Carrying value	Contractual cash outflows	Less than 3 months	3 months - 12 months	1 years - 5 years
Financial payables	2.971.319	3.856.964	268.866	1.135.061	2.453.037
Trade payables	9.581.881	9.813.078	8.035.867	1.777.211	-
Other payables	542.648	542.648	516.771	-	25.877
	13.095.848	**14.212.690**	**8.821.504**	**2.912.272**	**2.478.914**

Non derivative financial liabilities:

31 December 2020	Carrying value	Contractual cash outflows	Less than 3 months	3 months - 12 months	1 years - 5 years
Financial payables	3.837.750	4.790.272	398.292	1.239.506	3.152.474
Trade payables	7.339.394	7.467.473	6.345.141	1.122.332	-
Other payables	447.071	29.232	29.232	-	-
	11.594.983	**12.675.584**	**7.161.272**	**2.361.838**	**3.152.474**

Credit risk

The Group is exposed to credit risk due to its sales other than retail sales. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer base.

As of 31 December 2021 and 2020, the details of credit and receivables risk are as follows. In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

	31 December 2021			
	Trade receivables		Other receivables	Deposits
	Related party	Other	Other	in bank
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	**4.067**	**173.838**	**47.259**	**1.504.933**
Secured portion of maximum credit risk by guarantees etc.	-	42.717	-	-
A. Net book value of financial assets either are not due or not impaired	4.067	156.666	47.259	1.504.933
Secured portion by guarantees etc.	-	31.006		
B. Net book value of the expired or not impaired financial assets	-	-	-	-
secured portion with guarantees	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	10.007	-	-
Secured portion by guarantees etc.	-	4.546	-	-
D. Net book value of assets	-		-	-
that are impaired		7.165		
overdue (gross book value)	-	107.610	-	-
impairment (-)	-	(100.445)	-	-
Secured portion of the net value	-	-	-	-
by guarantees etc.	-	7.165	-	-

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

	31 December 2020			
	Trade receivables		Other receivables	Deposits
	Related party	Other	Other	in bank
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	**154**	**174.370**	**32.767**	**1.567.796**
Secured portion of maximum credit risk by guarantees etc.	-	46.474	-	-
A. Net book value of financial assets either are not due or not impaired	154	147.833	32.767	1.567.796
Secured portion by guarantees etc.	-	33.141		
B. Net book value of the expired or not impaired financial assets	-	16.926	-	-
secured portion with guarantees	-	3.722	-	-
C. Net book value of assets that are impaired	-	9.611	-	-
overdue (gross book value)	-	92.941	-	-
impairment (-)	-	(83.330)	-	-
Secured portion of the net value by guarantees etc.	-	9.611	-	-
D. Expected credit losses (-)	-	-	-	-

As of the reporting date, there are no uncollected, overdue, and renegotiated bank deposits nor credit card receivables present at the Group portfolio, thus the Group is in the opinion that there are no credit risks regarding these assets.

Aging of the receivables which are overdue but not impaired

	2021	2020
Between 0-1 month	2.918	7.634
Between 1-3 month	551	6.552
Between 3-12 month	2.915	1.996
Between 1-5 years	3.623	744
	10.007	**16.926**

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Capital risk

Net debt ratio as of 31 December 2021 and 2020 is as follows:

	2021	**2020**
Total liabilities	17.564.261	15.344.598
Less: Cash and cash equivalents	(3.632.341)	(3.230.793)
Deferred tax (assets)/liability	(267.107)	13.005
Net debt	13.664.813	12.126.810
Equity attributable to holders of parent	536.064	31.061
Equity + net debt	14.200.877	12.131.861
	96.23%	**99.96%**

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. As of 31 December 2021, if Euro had appreciated against TL by 20% and all other variables had remained constant, the income for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro would have been higher in the amount of TL 36,208 (31 December 2020: TL 24,330).

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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION

	31 December 2021				31 December 2020			
	Total TL equivalent	USD	Euro	Other TL equivalent	Total TL equivalent	USD	Euro	Other TL equivalent
Monetary financial assets	290.178	2.870	16.623	1.138	738.895	930	81.211	528
Trade receivables	-	-	-	-	-	-	-	-
Other	120	9	-	-	66	9	-	-
Current assets	**290.298**	**2.879**	**16.623**	**1.138**	**738.961**	**939**	**81.211**	**528**
Total assets	**290.298**	**2.879**	**16.623**	**1.138**	**738.961**	**939**	**81.211**	**528**
Financial liabilities	341	-	23	-	41.563	-	4.614	-
Non-monetary other liabilities	-	-	-	-	-	-	-	-
Current liabilities	**341**	-	**23**	-	**41.563**	-	**4.614**	-
Financial liabilities	69.399	-	4.600	-	811.629	-	90.102	-
Non-monetary other liabilities	8.403	-	557	-	6.080	-	675	-
Non-current liabilities	**77.802**	-	**5.157**	-	**817.709**	-	**90.777**	-
Total liabilities	**78.143**	-	**5.180**	-	**859.272**	-	**95.391**	-

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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont'd)

	FOREIGN CURRENCY POSITION							
	31 December 2021				31 December 2020			
	Total TL equivalent	USD	Euro	Other TL equivalent	Total TL equivalent	USD	Euro	Other TL equivalent
A. Net asset/(liability) position of off-balance sheet derivaties (A-B)	-	-	-	-	-	-	-	-
Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	**212.155**	**2.879**	**11.443**	**1.138**	**(120.311)**	**939**	**(14.180)**	**528**
Net foreign currency asset/(liability) position of monetary items	**220.438**	**2.870**	**12.000**	**1.138**	**(114.297)**	**930**	**(13.505)**	**528**
Fair value hedge funds of foreign currency	-	-	-	-	-	-	-	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	233.916	17.549	-	-	165.547	22.553	-	-

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NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont'd)

Foreign currency sensitivity analysis as of 31 December 2021 and 2020 is as follows:

31 December 2021

	Profit/(Loss)	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	36.208	(36.208)
Euro net effect	**36.208**	**(36.208)**

31 December 2020

	Profit/(Loss)	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	(24.330)	24.330
Euro net effect	**(24.330)**	**24.330**

NOTE 29 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirecty (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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NOTE 29 - FINANCIAL INSTRUMENTS (cont'd)

The fair value hierarchy for the assets and liabilities measured at fair value as of 31 December 2021 and 2020 is as follows:

		Fair value level as of reporting period		
	31 December 2021	Level 1 TL	Level 2 TL	Level 3 TL
Lands	764.754	-	-	764.754
Buildings	766.812	-	-	766.812
Derivative instruments	23.034	-	23.034	-

		Fair value level as of reporting period		
	31 December 2020	Level 1 TL	Level 2 TL	Level 3 TL
Lands	590.907	-	-	590.907
Buildings	524.585	-	-	524.585
Derivative instruments	8.663	-	8.663	-

The discount, capitilization and store occupancy rates used in the studies were determined by the valuation companies.

The discount rates are consistent with the inflation expectation survey of the CBRT and used between 11% and 17.94% for the properties in Turkey. Discount rates were used between 10% to 13% for the properties abroad.

The capitilization rates vary between 5% and 10% in terms of the location of the real estate.

NOT 30 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the Independent Audit Firm (IAF) for the periods 1 January - 31 December 2021 and 1 January - 31 December 2020 are as follows:

	2021	2020
Independent audit fee for the reporting period	441	385
	441	385

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 31 - OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS OR REQUIRE AN EXPLANATION FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Subsidiary Sale

During the period, the Group sold its subsidiary Ramstore Macedonia DOO ("Ramstore Macedonia") with a share transfer agreement dated 9 March 2021.

Book value of disposed net assets

Current Assets	**150.105**
Cash and Cash Equivalents	58.948
Trade Receivables	6.383
Inventories	41.524
Other Current Assets	43.250
Non-Current Assets	**285.019**
Property, Plant and Equipment	282.792
Other Non-Current Assets	2.227
Short-Term Liabilities	**57.967**
Trade Payables	50.983
Other Short-Term Liabilities	6.984
Short-Term Liabilities	**10.126**
Deferred Tax Liability	10.126

Subsidiary sales profit

Amount received	374.451
Book value of net assets	367.031
Foreign currency translation difference fund	205.743
Sales profit	213.163

Profit on sale amounting to TL 213,163 is classified under income from investing activities. (Note 20)

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NOTE 32 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Non-Current Assets Held for Sale

In line with the Group's growth targets and its strategic focus, Ramstore Macedonia DOO (a subsidiary of the Group operating in North Macedonia) operations have been re-evaluated. Following the evaluations, Ramstore Macedonia assets have been reclassified as "assets held for sale" since the sale of 100% shares of the subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia, is planned to be concluded in the short term.

	2021	2020
Propert, Plant and Equipment	-	278.163
Inventories	-	48.606
Non-Current Assets Held for Sale	-	137.804
Elimination effect	-	(41.958)
Total Assets Held for Sale	**-**	**422.615**
Trade Payables	-	83.366
Other	-	15.518
Elimination effect	-	(22.510)
Liabilities Regarding Assets Classified for Sale	**-**	**76.374**

b) Income and Expenses from Discontinued Operations

Income and expenses related to discontinued operations, compared to last year, are as follows:

	2021	2020
Revenue	62.177	349.882
Cost of Goods Sold	(45.429)	(259.303)
General Administrative Expenses	(1.950)	(25.371)
Marketing Expenses	(14.039)	(61.740)
Other Income and Expenses from Operating Activities	(118)	(643)
Finance Expenses	199	1.702
Profit Before Tax	841	4.527
Tax Expense	(163)	(3.531)
Net Profit	**678**	**996**

NOTE 33 – SUBSEQUENT EVENTS

Within the scope of the Competition Authority's investigation with file number 2020-3-019 on chain markets and suppliers, and on the grounds that Article 4 of Law No. 4054 has been violated, the Group has been notified on 17 January 2022 that an administrative fine of TL 517.672 has been imposed. Following the date of 17 February 2022, when the reasoned decision was notified, it was decided to pay the administrative fine within 30 days by taking advantage of 25% legal discount. Based on this decision regarding the Competition Authority penalty, the provision amount of TL 388.254 was reflected in the consolidated financial statements, and the payment of the relevant amount was made on 11 February 2022 with a caution.

The payment of the fine or its reflection on the Company's financial statements does not mean that the charges subject to the penalty have been accepted, and a lawsuit has been filed in the relevant court regarding the cancellation of the penalty within the legal period.

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APPENDIX-1- STATEMENT OF PROFIT OR LOSS BEFORE TFRS 16

TFRS 16 "Leases"

The effects of TFRS 16 leasing transactions standard on the Group's financial statements are presented below.

	31 December 2021	TFRS 16 Effect	Before TFRS 16
ASSETS			
Current assets:			
Prepaid expenses	154.988	(9.427)	164.416
Total current assets	**8.703.724**	**(9.427)**	**8.713.151**
Fixed assets:			
Prepaid expenses	20.579	(33.252)	53.831
Right-of-use asset	2.785.466	2.785.466	-
Deferred Tax Assets	267.107	85.587	181.520
Total non-current assets	**9.395.601**	**2.837.801**	**6.558.800**
Total assets	**18.100.325**	**2.828.374**	**15.271.951**
LIABILITIES			
Current liabilities:			
Lease liabilities	759.335	759.335	-
Total current liabilities	**13.108.998**	**759.335**	**12.349.663**
Non-current liabilities:			
Lease liabilities	2.349.110	2.349.110	-
Deferred Tax Liabilities	-	-	-
Total non-current liabilities	**4.455.263**	**2.349.110**	**2.106.153**
Total liabilities	**17.564.261**	**3.108.445**	**14.451.816**
EQUITY			
Equity atttributable to the parent	**536.064**	**(280.071)**	**816.135**
Prior years' losses	(914.843)	(196.448)	(718.395)
Net loss for the period	358.881	(83.623)	442.504
Total equity	**536.064**	**(280.071)**	**816.135**
TOTAL LIABILITIES AND EQUITY	**18.100.325**	**2.828.374**	**15.271.951**

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APPENDIX-1- STATEMENT OF PROFIT OR LOSS BEFORE TFRS 16 (cont'd)

TFRS 16 "Leases" (cont'd)

PROFIT OR LOSS	31 December 2021	TFRS 16 Effect	Before TFRS 16
Revenue	36.272.243	-	36.272.243
Cost of sales (-)	(27.517.740)	151.758	(27.669.498)
Gross profit	**8.754.503**	**151.758**	**8.602.745**
General and administrative expenses (-)	(451.110)	-	(451.110)
Marketing expenses (-)	(6.316.398)	234.902	(6.551.300)
Other operating income	456.814	-	456.814
Other operating expenses (-)	(1.584.691)	1.220	(1.585.911)
Operating profit	**859.118**	**387.880**	**471.238**
Income from investing activities	225.210	-	225.210
Expenses from investing activities (-)	(9.472)	-	(9.472)
Operating profit before finance income/expense	**1.074.856**	**387.880**	**686.976**
Finance income	267.008	-	267.008
Finance expenses (-)	(1.116.377)	(503.735)	(612.642)
Loss before tax from continuing operations	**225.487**	**(115.855)**	**341.342**
Continuing operations tax expense	**132.716**	**32.232**	**100.484**
- Current tax expense	(191.852)	-	(191.852)
- Deferred tax income	324.568	32.232	292.336
Loss for the period	**358.203**	**(83.623)**	**441.826**