

MİGROS



MİGROS TİCARET A.Ş.

01.01.2024 - 30.09.2024 INTERIM ANNUAL REPORT
PREPARED PURSUANT TO THE CMB SERIES:II NO:14.1

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CORPORATE PROFILE

Company	: Migros Ticaret A.Ş.
The Date of Foundation*	: 19.03.2008
Trade Registry Office	: Istanbul Trade Registry Office
Trade Registry Number	: 659896
Tax Administration	: Büyük Mükellefler Vergi Dairesi
Tax ID	: 6220529513
Address	: Atatürk Mahallesi Turgut Özal Bulvarı No: 7 34758 Ataşehir - İstanbul
Phone	: 0216 579 30 00
Fax	: 0216 579 35 00
Corporate Web Site	: www.migroskurumsal.com
E-mail	: malimigros@migros.com.tr
Share Capital	: TL 181,054,233
Capital Ceiling	: TL 500,000,000
Stock Exchange	: Borsa İstanbul
Listing Year at the Stock Exchange**	: 2009
Symbol	: MGROS.IS

(*): Migros Türk T.A.Ş. and Moonlight Perakendecilik ve Ticaret A.Ş., established in March 19, 2008, were merged on April 30, 2009. Moonlight changed its name to Migros Ticaret A.Ş. subsequent to the merger.

(**): It is the first listing date of Migros Ticaret A.Ş. in Borsa İstanbul following the merger with Migros Türk T.A.Ş.

INTRODUCTION: AN ECONOMIC REVIEW AND RETAIL MARKET

Gross Domestic Product (GDP) grew by 2.5% in the second quarter of 2024 in real terms. According to volume index, the consumption expenditures of households increased by 1.6% year on year during the same period.

The annual CPI, which was 64.77% at the end of 2023, grew by 49.38% in September 2024 versus the same month of the previous year. In September 2024, the prices of food and non-alcoholic beverages rose by 43.72% in comparison to September 2023. According to the latest Inflation Report of the Central Bank of Türkiye (CBRT), the annual CPI is expected to be between 34% and 42% (mid-point of 38%) by the end of 2024.

SECTION 1: CORPORATE INFORMATION

Board of Directors

The Board of Directors of Migros Ticaret A.Ş. consists of 12 members, of which four are independent members. All the board members except Ömer Özgür Tort are non-executives. The current Board members of our Company are shown below.

As of 30 September 2024;

Board of Directors	
Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Talip Altuğ Aksoy	Board Member
Burak Başarır	Board Member
Mehmet Hurşit Zorlu	Board Member
Esel Yıldız Çekin	Board Member
Rasih Engin Akçakoca	Board Member
Ömer Özgür Tort	Board Member and CEO
Emre Ekmekçi	Independent Board Member
Barış Tan	Independent Board Member
Bekir Ağırdır	Independent Board Member
Uğur Bayar	Independent Board Member

At the ordinary general assembly meeting held on 16 April 2024, Tuncay Özilhan, Kamilhan Süleyman Yazıcı, Talip Altuğ Aksoy, Burak Başarır, Mehmet Hurşit Zorlu, Esel Yıldız Çekin, Rasih Engin Akçakoca and Ömer Özgür Tort were elected as members of the Board of Directors and Emre Ekmekçi, Barış Tan, Bekir Ağırdır and Uğur Bayar were elected as independent members of the Board of Directors for 1 year until the General Assembly Meeting of the Company for the year of 2024.

Board members' résumés are provided at the Company corporate website at www.migroskurumsal.com. Information on external positions held by Board members and Independent Board Members' Affidavit is provided at the Company corporate website at www.migroskurumsal.com.

Authorities, Duties and Term of Office of the Board of Directors

According to the Articles of Association of the Company, the Board of Directors have the authority to take any decision with the exception of matters that needs the resolution of the General Assembly in accordance with the laws and the Company's Articles of Association. The Board of Directors of the Company were appointed at the 2023 Ordinary General Assembly Meeting dated 16 April 2024 for 1 year until the General Assembly Meeting in which the Company's 2024 accounts are to be discussed.

Committees of Board of Directors

In accordance with the Board of Directors resolution dated 26 April 2024, it was resolved that, within the scope of the Communiqué on Corporate Governance (II-17.1) of the Capital Markets Board ("CMB"), the Corporate Governance Committee shall be responsible for the duties of the Nomination Committee and Remuneration Committees and that the committees of our Company shall comprise of the following members.

Audit Committee		
Barış Tan	President	Non-executive
Emre Ekmekçi	Member	Non-executive

Corporate Governance Committee		
Uğur Bayar	President	Non-executive
Talip Altuğ Aksoy	Member	Non-executive
Esel Yıldız Çekin	Member	Non-executive
Mehmet Hurşit Zorlu	Member	Non-executive
Burak Başarır	Member	Non-executive
Recep Yılmaz Argüden	Member	Non-executive
Affan Nomak	Member	Investor Relations & Risk Mgmt.

Early Recognition of Risk Committee		
Uğur Bayar	President	Non-executive
Barış Tan	Member	Non-executive
Esel Yıldız Çekin	Member	Non-executive
Mehmet Hurşit Zorlu	Member	Non-executive
Burak Başarır	Member	Non-executive

It was also decided to establish a Sustainability Committee within the Board of Directors. The Sustainability Committee comprises of the following members.

Sustainability Committee		
Bekir Ağırđır	President	Non-executive
Emre Ekmekçi	Member	Non-executive
Burak Başarır	Member	Non-executive

Working Principles of Committees

Working Principles of the Audit Committee

Scope and Objective

The Audit Committee, which was formed under the framework of the Capital Markets legislation, is continuing its activities under the auspices of the Board of Directors.

The objective of the Audit Committee is to oversee the operation of the Company's accounting and reporting system in line with the relevant law and regulatory framework, the audit and disclosure to the public of financial information, the operation and effectiveness of the independent audit and internal control systems.

Authority

The Audit Committee is formed and authorized by the Board of Directors. The Board of Directors determines the scope of the Audit Committee's duties as well as the working principles applicable thereto. The Audit Committee may make use of independent expert opinions on matters it may deem necessary with regards to its activities and the cost of such consultancy service shall be covered by the Company.

The committee acts within the scope of its own authority and responsibility and may advise the Board of Directors but ultimately the responsibility for making decisions lies with the Board of Directors at all times.

The detailed information on the structure of the Committee and its meetings, its duties and responsibilities, its basis and its effectiveness are provided in our corporate website (www.migroskurumsal.com) under the Investor Relations tab.

The Committee convenes at least four times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken.

Working Principles of the Corporate Governance Committee

Scope and Objective

The Corporate Governance Committee, which was formed under the framework of the Capital Markets legislation, is continuing its activities under the auspices of the Board of Directors.

The objective of the Corporate Governance Committee, in line with the Communiqué on Corporate Governance (II-17.1) of the Capital Market Board, is to ascertain whether or not the corporate governance principles are being implemented at our Company, if not, the reason for such failure and the conflict of interests arising from this failure to fully comply with these principles, to advise the Board of Directors on improving corporate governance implementation and monitoring the efforts of the Investor Relations Department.

Pursuant to the Communiqué on Corporate Governance, the Corporate Governance Committee also carries out the duties of the Nomination Committee and the Remuneration Committee.

Authority

The Corporate Governance Committee is formed and authorized by the Board of Directors. The Board of Directors determines the scope of the Corporate Governance Committee's duties as well as the working principles applicable thereto. The Corporate Governance Committee may make use of independent expert opinions on matters it may deem necessary with regards to its activities and the cost of such consultancy service shall be covered by the Company.

The committee acts within the scope of its own authority and responsibility and may advise the Board of Directors, but ultimately the responsibility for making decisions lies with the Board of Directors at all times.

The detailed information on the structure of the Committee and its meetings, its duties and responsibilities, its basis and its effectiveness are provided in our corporate website (www.migroskurumsal.com) under the Investor Relations tab.

The Committee convenes at least four times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken.

Working Principles of The Early Detection of Risk Committee

Scope and Objective

The Early Detection of Risk Committee, which was formed under the framework of the Capital Markets legislation and article 378 of the Turkish Commercial Code numbered 6102, is continuing its activities under the auspices of the Board of Directors.

The objective of the Early Detection of Risk Committee is to determine risks that could endanger the existence, development and continuity of the Company, the implementation of precautions necessary in relation to the risks that have been identified and the management of those risks.

Authority

The Early Detection of Risk Committee is formed and authorized by the Board of Directors. The Board of Directors determines the scope of the Early Detection of Risk Committee's duties as well as the working principles applicable thereto. The Early Detection of Risk Committee may make use of independent expert opinions on matters it may deem necessary with regards to its activities and the cost of such consultancy service shall be covered by the Company.

The committee acts within the scope of its own authority and responsibility and advises the Board of Directors, but ultimately the responsibility for making decisions lies with the Board of Directors at all times.

The detailed information on the structure of the Committee and its meetings, its duties and responsibilities, its basis and its effectiveness are provided in our corporate website (www.migroskurumsal.com) under the Investor Relations tab.

The Committee convenes six times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken.

Working Principles of the Sustainability Committee

Scope and Objectives

1. This document sets forth the rules, principles and procedures governing the duties and responsibilities owed by the Sustainability Committee of the Board of Directors (the "Sustainability Committee") to the Board of Directors of Migros Ticaret A.Ş. (the "Company").
2. In addition to developing sustainability strategies, policies and goals as well as improving the Company's performance on Environmental, Social and Corporate Governance ("ESG") issues, the Sustainability Committee also assists the Board of Directors in fulfilling its responsibilities in relation thereto.
3. The Sustainability Committee monitors risks to the Company as well as Company policies and programs pertaining to specific legal, regulatory, and public policy issues in the environmental and social area that could affect the Company's activities, its shareholders, all stakeholder communities within its ecosystem or even general public opinion from a sustainability perspective.
4. The Sustainability Committee serves as the guide to prioritizing the long term, integrating sustainability into the Company's strategic vision and activities in line with the Company's clearly defined corporate purpose. The Committee fulfills these obligations by carrying out the activities specified under Duties and Responsibilities.
5. The Sustainability Committee offers suggestions and supports the Board of Directors with its preparatory efforts.

Authority

1. Members of the Sustainability Committee are appointed and empowered by the Board of Directors. The scope of the duties and rules of procedure for the Sustainability Committee are established by the Board of Directors.
2. The Board of Directors may remove some or all of the members of the Sustainability Committee from office even if their term of office has not yet expired.
3. The Board of Directors shall appoint members to complete the term of office seat on the Sustainability Committee vacated because of removal from office, resignation or death.
4. The Committee shall act within the scope of its own powers and responsibilities and submit suggestions to the Board of Directors but the power and responsibility for taking final action shall always rest with the Board of Directors.

The detailed information on the structure of the Committee and its meetings, its duties and responsibilities, its basis and its effectiveness are provided in our corporate website (www.migroskurumsal.com) under the Investor Relations tab.

Senior Management

As our Company expands its business areas with new subsidiaries and initiatives, the following organizational changes was made in senior management roles to ensure a more effective and agile governance structure in our core business line.

- Bülent Kuntay, Chief Supply Chain & Logistics Officer, will retire on 30 June 2025. Aydın Ferit Cansever, Supply Chain Management Director, was appointed as Assistant General Manager responsible of Supply Chain Management and Logistics.
- Özlem Tavaslıoğlu, Legal and Compliance Group Director, was appointed as Migros Group Legal and Compliance Assistant General Manager.

As of 30 September 2024, the senior management of the Company is as follows:

Migros Group Executive Committee members Ömer Özgür Tort (CEO), Mustafa Murat Bartın (COO, Migros Retail General Manager), Ferit Cem Doğan (CFO), Ekmel Nuri Baydur (CMO) and Hakan Şevki Tuncer (CPO), Migros Group Assistant General Managers Kerim Tatlıcı (CIO), Olcay Yılmaz Nomak (CHRO), and Özlem Tavaslıoğlu (Chief Legal Officer), Assistant General Managers Cüneyt Taşpek (Chief Sales Officer) and Aydın Ferit Cansever (Chief Supply Chain & Logistics Officer).

Senior management compensation

Total compensation provided to the key management personnel by the Company for the periods ended 30 September 2024 and 30 September 2023 has been provided at Note 18 of Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.

Key management compensation paid or payable consists of benefits, salaries, premiums, individual pension premiums, vehicle rents and social security insurance employer shares.

Number of Employees

As of 30 September 2024, the Company employs 53,952 employees including its subsidiaries (31 December 2023: 50,915).

Subsidiaries

The Company has the following 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:

As of 30 September 2024;

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	Sept. 2024 (%)	Dec. 2023 (%)
Dijital Platform Gıda Hizmetleri A.Ş.	Türkiye	Türkiye	Online food retail	93.0	93.0
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.	Türkiye	Türkiye	Payment & electronic money services	80.0	80.0
Paket Lojistik ve Teknoloji A.Ş.*	Türkiye	Türkiye	Logistics	92.1	75.0
Mimeda Medya Platform A.Ş.	Türkiye	Türkiye	Media	100.0	100.0
Migen Enerji ve Elektrikli Elektrikli Araç Şarj Hizmetleri A.Ş.	Türkiye	Türkiye	Charging services to electric vehicles	100.0	100.0
CRC Danışmanlık ve Organizasyon A.Ş.**	Türkiye	Türkiye	Packed food production	50.0	50.0
Ramstore Kazakhstan LLC***	Kazakhstan	Kazakhstan	Shopping mall operation	-	100.0

* Acquisition of shares in Paket Taxi by our subsidiary Dijital Platform Gıda Hizmetleri A.Ş.

As announced in our Company's public disclosure on 21 February 2024, our subsidiary Dijital Platform Gıda Hizmetleri A.Ş. operating in online business acquired the shares corresponding to 18.3% of the paid-in capital of Paket Lojistik ve Teknoloji A.Ş. (Paket Taxi), which provides logistics services for our online operations and in which our Company has a shareholding of 75%, from the other shareholders of Paket Taxi. After the share transfer, Migros' direct and indirect shareholding in Paket Taxi is increased to 92.1%.

** Participating in the capital of CRC Danışmanlık ve Organizasyon A.Ş.

Migros Ticaret A.Ş. acquired 120,000 shares corresponding to 30% of the paid-in capital of Gurmepack, which operates in packaged food production, and Dijital Platform Gıda Hizmetleri A.Ş. ("Dijital Platform") acquired 80,000 shares corresponding to 20% of Gurmepack's paid-in capital on 26.12.2023. The ultimate transaction value for 50% stake is TL 88,763,860. Out of this transaction value, TL 53,258,316 was paid by Migros Ticaret A.Ş. and TL 35,505,544 was paid by Dijital Platform.

*** Divestiture of foreign subsidiary

As announced in our Company's public disclosure on 21 February 2024, our Company signed agreements to sell 100% shares as well as liabilities of its subsidiary Ramstore Kazakhstan LLC ("Ramstore Kazakhstan"), which previously divested food retail operations in Kazakhstan and continued its operations solely with the management of a shopping mall in Almaty, for approximately USD 34.5 million at current exchange rate (USD 21,578,200 and EUR 11,800,000) to TOO Evrazia Almaty.

Within the scope of the agreements coming into force, the collection of the said amounts was completed on 23 July 2024. Thus, our Company's shareholding in Ramstore Kazakhstan has ended.

The shareholding structure of Migros Ticaret A.Ş.

As stated in the Company's Articles of Association, there are no privileges in voting rights. All votes are equal. Shareholders may exercise their voting rights during the General Assembly pro rata to the total nominal value of their shares. There are no shareholders with whom there is a cross-shareholder relationship. The groups specified in the Articles of Association do not hold any privileged rights to be represented on the Board of Directors and/or any other similar special rights.

The share capital of our Company is TL 181,054,233. The capital structure is as follows:

As of 30 September 2024;

Migros Ticaret A.Ş. Shareholding Structure		
Shareholder	Amount (TL)	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046,058	49.18
Other	89,046,059	49.18
Migros Ticaret A.Ş.	2,962,116	1.64
Total	181,054,233	100.00

Information About the Most Recent Capital Increase

No increase was made in the capital during 01 January – 30 September 2024.

Information on General Assembly Meeting

General Assembly Meeting

Meeting Minutes and List of Attendees pertaining to 2023 Ordinary General Assembly Meeting of our Company dated 16 April 2024 were disclosed in our corporate web site (www.migroskurumsal.com) and the Public Disclosure Platform (KAP). In the Ordinary General Assembly Meeting, the consolidated financial statements dated 31.12.2023, which was prepared in accordance with IFRS, and the other agenda articles were duly accepted.

Information regarding the General Assembly Meeting was posted in the Turkish Trade Registry Gazette, the company's corporate website at www.migroskurumsal.com, Public Disclosure Platform and the Electronic General Assembly Portal of Central Registry Agency.

Amendments in the Articles of Association

No change was made in the Articles of Association during 01 January – 30 September 2024.

The final copy of the Articles of Association is posted to the Investor Relations page of the corporate website of the Company (www.migroskurumsal.com).

Authorities and Duties of the Auditors

Article 400 ("Auditors") of the Turkish Commercial Code reads:

An auditor may be any individual who is licensed pursuant to the Certified Public Accountancy and Chartered Accountancy Act (Statute 3568 dated 1 June 1989) to perform independent audits as a chartered accountant or as a certified public accountant and who has been authorized to do so by the Public Oversight, Accounting, and Auditing Standards Authority and/or by a joint-stock company whose shareholders consist of such individuals.

At the Company's 2023 Ordinary General Assembly Meeting dated 16 April 2024, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was elected as independent auditor for 2024 fiscal year.

The Dividend Policy of Migros

Our Company's Dividend Distribution Policy was approved as follows at the Ordinary General Assembly meeting dated 11 April 2023.

"Our Company conducts a dividend distribution policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulations and other relevant legislation as well as the provisions of our Articles of Association regarding the dividend distribution.

In line with the Corporate Governance Principles, a balanced and accurate policy is followed between the benefits of the shareholders and the Company. By taking our Company's long-term strategies, investment and financing plans as well as its profitability into consideration, our Company targets to distribute 50% of its annual net distributable profit every year, in cash or in the form of bonus shares of stock, or some combination of the two. This policy is subject to the Company's cash flow projections, forward looking expectations on its operations, investment plans and economic conditions. The General Assembly may decide to distribute dividend which differs from the targeted percentage by taking all these factors into consideration.

Dividend distribution shall start latest by the end of the fiscal year in which the General Assembly approves the dividend distribution.

The Company may decide to distribute dividend in advance or distribute dividend with either equal or different installments, in compliance with regulations in effect."

SECTION 2: FINANCIAL INFORMATION

Sales

(Thousand TL)	01 Jan. – 30 Sept. 2024	01 Jan. – 30 Sept. 2023
Domestic Sales	208,340,866	186,881,005
Other Sales	360,151	590,240
Gross Sales	208,701,017	187,471,245
Less: Discounts and Returns	-2,401,256	-2,473,018
Sales Revenue, Net	206,299,761	184,998,227

Financial Statements

Migros - IFRS Consolidated Income Statement Summary (Thousand TL)	01 Jan. – 30 Sept. 2024	(%)	01 Jan. – 30 Sept. 2023	(%)
Net Sales	206,299,761	100.0	184,998,227	100.0
Cost of Sales (-)	(159,798,326)	-77.5	(149,641,436)	-80.9
Gross Profit	46,501,435	22.5	35,356,791	19.1
Operating Expenses	(43,046,699)	-20.9	(37,036,466)	-20.0
Other Operating Income / (Expense)	(10,171,780)	-4.9	(2,804,688)	-1.5
Operating Profit	(6,717,044)	-3.3	(4,484,363)	-2.4
Income / (Expense) from Investment Activities	579,157	0.3	421,684	0.2
Operating Income Before Financial Income / (Expense)	(6,137,887)	-3.0	(4,062,679)	-2.2
Financial Income / (Expense)	(1,135,688)	-0.6	373,090	0.2
Monetary Gain/Loss	14,549,588	7.1	18,846,732	10.2
Income/Loss Before Tax from Continuing Operations	7,276,013	3.5	15,157,143	8.2
Tax Income / (Expenses)	(579,650)	-0.3	(823,940)	-0.4
Deferred Tax Income	(1,265,310)	-0.6	(3,404,653)	-1.8
Net Profit / Loss from Continuing Operations	5,431,053	2.6	10,928,550	5.9
Net Profit / Loss from Discontinuing Operations	33,153	0.0	24,427	0.0
Net Profit / Loss	5,464,206	2.6	10,952,977	5.9
<i>Non-controlling Interest</i>	186,189	0.1	41,463	0.0
<i>Equity Holders of Parent</i>	5,278,017	2.6	10,911,514	5.9
EBITDA (after ETB & unused vacation provisions)	10,081,484	4.9	4,323,499	2.3

Migros IFRS Consolidated Balance Sheet Summary (Thousand TL)	September 2024	(%)	December 2023	(%)
Current Assets	51,808,687	38.3	51,458,025	41.1
Non-current Assets	83,364,260	61.7	73,709,087	58.9
Total Assets	135,172,947	100.0	125,167,112	100.0
Current Liabilities	61,695,731	45.6	60,995,079	48.7
Non-current Liabilities	19,041,873	14.1	14,917,162	11.9
Total Liabilities	80,737,604	59.7	75,912,241	60.6
Equity Attributable to Owners of Parent	54,090,532	40.0	48,942,639	39.1
Non-controlling Interest	344,811	0.3	312,232	0.2
Total Equity	54,435,343	40.3	49,254,871	39.4
Total Liabilities and Equity	135,172,947	100.0	125,167,112	100.0

Financial Structure and Profitability Ratios

LIQUIDITY RATIOS	September 2024	December 2023
Current Ratio	0.84	0.84

FINANCIAL STRUCTURE RATIOS	September 2024	December 2023
Financial Leverage (Total Liabilities / Total Liabilities & Equity)	0.60	0.61
Total Liabilities / Equity	1.48	1.54
Financial Liabilities (w/o Lease Liabilities) / Total Assets	0.01	0.02
Net Cash Position (w/o Lease Liabilities) (Thousand TL)	21,325,036	14,670,414

PROFITABILITY RATIOS (%)	01 Jan. – 30 Sept. 2024	01 Jan. – 30 Sept. 2023
Gross Profit Margin	22.5%	19.1%
EBITDA Margin	4.9%	2.3%
Net Profit / Loss Margin	2.6%	5.9%

SHARE PERFORMANCE RATIOS	September 2024
Market Cap (Thousand TL)	81,474,300
Share Price (TL)	450.00
Earnings Per Share (EPS) from continuing operations (TL)	29.15
Earnings Per Share (EPS) from discontinuing operations (TL)	0.18

Financial Evaluation

Migros' consolidated sales in the third quarter of 2024 grew by 12.3% y-o-y in real terms and reached TL 74.5 billion in accordance with IAS 29 inflation accounting. The strong sales growth momentum in the first half of 2024 is sustained in Q3 2024. In the first 9 months of 2024, the Company's consolidated sales turnover with IAS 29 increased by 11.5% year-on-year and reached TL 206.3 billion.

The strong like-for-like sales, the customer traffic gain in physical stores & online channels, sales performance of seasonal stores in touristic destinations, new store openings and competitive pricing strategy were the main drivers of the robust sales growth in 9M 2024. Online channels' share in total sales reached 18.2% excluding tobacco and alcohol products as of 30 September 2024.

The gross profit in 3Q 2024 was recorded at TL 17,963 million, with IAS 29. The gross margin in 3Q 2024 improved to 24.1%. With IAS 29, the Company's gross profit in 9M 2024 reached TL 46,501 million. The gross margin in 9M 2024 increased to 22.5%.

In the third quarter of 2024, with IAS 29, Migros reported a consolidated EBITDA of TL 5,685 million, corresponding to a margin of 7.6%. With IAS 29, the consolidated EBITDA in 9M 2024 grew by 133% and reached TL 10,081 million. The EBITDA margin in 9M 2024 increased to 4.9% from 2.3% in 9M 2023.

The Company generated a net profit of TL 3,308 million in Q3 2024, with a margin of 4.4% (Q3 2023: %7.6). Year-on-year decrease in net profit margin is mainly due to the inflation accounting impact which resulted in lower monetary gains on assets booked in Q3 2024 versus Q3 2023 as this year's Q3 average inflation was significantly lower than last year's Q3 average inflation. The Company's net profit reached TL 5,464 million in 9M 2024, corresponding to net profit margin of 2.6%.

The company's shareholders' equity rose to TL 54.4 billion by the end of September 2024, up by 15% y-o-y in real terms.

According to Nielsen data, Migros' market share increased by 60 bps in the modern FMCG market and 40 bps in the total FMCG market in 9M 2024.

Migros increased its presence in both online channels and physical stores by opening 271 new stores in the first nine months of the year. The total number of stores reached 3,550. As of 30 September 2024, the number of stores offering online service increased from 1,053 to 1,289 compared to 30 September 2023. In addition to new store openings and investments in online channels, the company invested a total of TL 6,072 million in 9M 2024, mainly in refurbishment of existing stores, new distribution center openings, energy, information technologies and R&D.

Following robust growth performance in 3Q 2024, Migros is updating its 2024 year-end guidance. With IAS 29 inflationary accounting, the Company's consolidated sales growth guidance for 2024 was revised from ~10% to **10-12%**. The Company increased its year-end consolidated sales growth target upwards from ~75% to **76-78%** without IAS 29.

With IAS 29, the Company's consolidated EBITDA margin guidance for 2024 is increased from 4.5-5.0% to **~5.0%**. Excluding inflationary accounting, Migros' consolidated EBITDA margin for 2024 is revised upwards from 8.0-8.5% to **~9.0%** driven by the elevated impact of imputed interest.

New store openings target for 2024 was maintained as **~350** stores. Without IAS 29 impact, the Company also maintained its capital expenditures expectation in 2024 as **~TL 8.0 billion**.

The Dividend Distribution

In the General Assembly Meeting on 16 April 2024, the General Assembly discussed the Board of Directors' dividend distribution proposal. Accordingly it was decided;

- to distribute gross dividends of TL 1,250,000,000.00 to be fully paid in cash, (TL 192,935,524.48 to be covered from the Net Distributable Period Profit, TL 1,181,159,204.36 to be covered from "other sources", after allocating TL 124,094,728.84 of secondary legal reserves).
- to pay dividend TL 6.9040087 gross=net for shares at the nominal value of TL 1 for our shareholders which are full taxpayer institutions or limited taxpayer institutions obtaining dividend through a workplace or permanent representatives in Turkey,
- to pay gross dividend of TL 6.9040087 and net dividend of TL 6.2136078 (by deducting 10% withholding tax) cash for shares at the nominal value of TL 1 for our other shareholders,
- to propose to the General Assembly to start dividend distribution on 27 May 2024 upon completion of the legal process following the General Assembly Meeting.

Since the legal limit in the Article 519 of the Turkish Commercial Code has been reached, the allocation of primary reserve is not required.

The dividend distribution was completed in accordance with the decision taken at the General Assembly meeting.

Advance Dividend Distribution

At the General Assembly meeting of our Company on 16.04.2024, Migros Board of Directors was authorized to determine whether or not to distribute advance dividend up to the amount permitted by the relevant legislation in case there is distributable profit for the fiscal year 2024 by taking into consideration the relevant regulatory framework and our Company's articles of association.

Migros Board of Directors resolved on 05 November 2024;

- to distribute advance gross dividends of TL **520,000,000** to be fully paid in cash from the net profit for the interim period 01.01.2024-30.09.2024 according to the consolidated financial statements of the Company, after allocating legal reserves,
- to pay advance dividend **TL 2.8720676** gross=net for shares at the nominal value of TL 1 for our shareholders which are full taxpayer institutions or limited taxpayer institutions obtaining dividend through a workplace or permanent representatives in Turkey,
- to pay advance gross dividend of **TL 2.8720676** and net dividend of **TL 2.5848608** (by deducting 10% withholding tax) cash for shares at the nominal value of TL 1 for our other shareholders,
- to start the advance dividend distribution on 13 November 2024.

Migros Board of Directors also decided to offset the advance dividends to be distributed from the resources that can be subject to dividend distribution in the annual financial statements for the fiscal year 2024 in case there is insufficient profit or loss at the end of the fiscal year 2024.

The financial resources and the risk management policies

Financial Debts

As of 30 September 2024, the total amount of outstanding financial loans and bonds of the Company stands at TL 1,585,296 thousand (TL 18,492,671 thousand including IFRS 16). Detailed information related to financial debts is provided in the Note 7 of the Condensed Consolidated Financial Statements for the Interim Period 1 January - 30 September 2024 of the Company.

The redemption schedule of principal amounts of financial debt at 30 September 2024:

(Thousand TL)	TL Loan
1 October 2024 - 30 September 2025	767,436
1 October 2025 - 30 September 2026	341,023
1 October 2026 - 14 December 2026	235,408
	1,343,867

Risk Management and Internal Control Mechanism

Pursuant to the applicable provisions of the Turkish Commercial Code, the Early Detection of Risk Committee, which is charged with early diagnosis of risks that may threaten the existence, development and survival of the Company, and with ensuring that necessary actions are taken in relation to those risks, carried on with its activities.

Within the scope of the activities conducted with the Company employees, the Committee follows up various risk indicators, which have been created to ensure identification of the risks that could preclude the achievement of the Company's strategic business goals, to monitor the factors that make up these risks, to determine and measure the probability and impact of the risks, and follows up the risk criteria deemed important.

These risk indicators are analyzed and followed up by the related Company units, and changes are monitored by the Early Detection of Risk Committee. In periodic meetings, the Early Detection of Risk Committee evaluates whether appropriate actions have been taken.

Detailed information has been provided at Note 20, titled Exchange Rate Risk and Foreign Currency Position, of Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.

Risk management is implemented by each subsidiary within the framework of policies decided by the Board of Directors.

The Early Recognition of Risk Committee, which convenes 6 times a year, coordinates to take precaution against predictable risks that the company might face as a result of its financial structure and reports regularly to the Board of Directors about its practices.

Internal working teams were formed to raise corporate awareness about a possible earthquake in the Marmara Region and to review the company's existing risk and crisis management plans prepared for disaster emergencies. Within the framework of professional consultancy received from an organization specializing in earthquake preparations, these working groups, consisting of different units within the company, have started working to create and review alternative work plans for all central units of the company and to ensure business continuity after a possible Istanbul-based earthquake.

In addition, the study initiated by the Company to have all its stores, administrative offices and distribution centers inspected by companies specialized in building control is ongoing. As a result of this study, it is aimed to strengthen the buildings where structural weaknesses are detected, if possible. For buildings that cannot be strengthened, the Company has started and continues to work on finding an alternative building and evacuating the existing building.

In the conduct and performance of its financial and operational reviews, the Internal Audit Department adheres to the following principles.

- Effective utilization of the resources of the Company,
- Effectiveness of the internal control mechanisms on operations,
- Confirmation of Company assets
- Efficiency and effectiveness of business operations,
- Compliance of employees with the quality management documentation and administrative instructions approved by the management,

The fundamental duties of the Internal Audit Department consist, among other things, of investigating/examining activities and transactions which previously had been determined and reported as having elements of risk in order to ascertain the degree to which such risks have been eliminated or brought under control in line with management-approved recommendations; performing follow-up reviews in situations where more detailed investigations and examinations are necessary.

Any problems that may be discovered during the course of review activities are investigated in detail with the aim of allowing measures to be taken as necessary while recommendations are also made concerning what action should be taken to deal with any losses which the Company is ascertained to have suffered. In all of these efforts, altering processes in such a way as to prevent recurrences of similar incidents is an issue of fundamental concern.

In line with the risk-based audit approach and the year's internal control plan, the Internal Audit Department conducted financial and operational reviews of various departments and processes. Assessments and recommendations based on review results are submitted to company senior management along with the reports in which matters where improvements may be made in keeping with the philosophy of continuous development are also pointed out. Besides financial and operational reviews, the Internal Audit Department also conducts follow-up reviews on issues about which senior management was previously informed and it was agreed that measures needed to be taken. Similar risk analysis and audits were conducted in the first nine months of 2024.

The features and amount of the capital market instruments that was issued

The details of the debt securities (corporate bonds and bills) that the Company issued exclusively for domestic qualified investors are as follows:

ISIN Code	Issue Amount (TL)	Issue Date	Maturity	Maturity (Days)	Coupon Number	Number of Coupons Paid
TRSMGTI62517	300,000,000	13.06.2023	26.06.2025	744	8	5/8

Migros Board of Directors had taken a decision to determine the issuance limit of debt instruments to be issued in case of need. As stated in the Company's public disclosure dated 22.12.2023, our Company has been allocated an issue limit of TL 2,000,000,000,000 by the Capital Markets Board, valid until 21.12.2024.

SECTION 3: OPERATIONAL ACTIVITIES

Position of Migros in the Sector and Investments

Operating in the food retail sector, Migros is engaged in the retail sale of all types of food products and consumer goods, as well as their wholesale for retail consumption. Migros, through its subsidiaries, also operates in online food retailing and ready-to-eat meals, financial technologies, logistics (distribution by riders) services, development and marketing of retail media assets, electric vehicle charging services and shopping mall operation in Türkiye and abroad.

During 01 January – 30 September 2024, Migros opened 271 new stores - 128 Migros, 85 Migros Jet, 19 Macrocenter, 13 Macrokiosk, 1 hypermarket and 25 Mion cosmetic stores. In addition, 9 distribution centers were opened in the first 9 months of the year. The Company operates a network of 3,550 stores in total as of 30 September 2024, including 2,010 Migros, 1,176 Migros Jets, 117 Macrocenter, 69 Macrokiosk, 54 hypermarkets, 30 Wholesale and 94 Mion stores in seven geographical regions throughout Türkiye.

New stores opened:

M				MM		MMM		Migros Jet		Macrocenter	
Adana	2	Ordu	1	Ankara	2	İstanbul	1	Adana	1	Adana	1
Afyon	1	Rize	2	Batman	1			Afyon	1	Ankara	2
Ankara	9	Samsun	1	Bilecik	1			Amasya	1	Antalya	2
Antalya	11	Şırnak	1	Diyarbakır	1			Ankara	11	Diyarbakır	1
Ardahan	1	Tekirdağ	6	Edirne	1			Antalya	6	Gaziantep	1
Aydın	3	Trabzon	1	Eskişehir	2			Aydın	1	İstanbul	5
Balıkesir	1	Van	3	İstanbul	5			Balıkesir	2	İzmir	4
Batman	1	Yalova	1	İzmir	2			Bilecik	1	Muğla	3
Bolu	1			Kırşehir	1			Bolu	2	TOTAL	19
Bursa	1			Kocaeli	1			Burdur	1		
Çanakkale	2			Şırnak	1			Bursa	1		
Çorum	1			Konya	2			Çorum	2		
Denizli	1			Manisa	1			Diyarbakır	1		
Diyarbakır	1			Tekirdağ	1			Düzce	1		
Edirne	2							Edirne	1		
Elazığ	1							Erzurum	3		
Erzurum	2							Gaziantep	3		
Eskişehir	1							Hatay	2		
Gaziantep	1							Isparta	1		
Giresun	1							İstanbul	8		
Hakkari	1							İzmir	4		
Hatay	1							Kahramanmaraş	1		
İstanbul	5							Karabük	1		
İzmir	6							Kayseri	4		
Kahramanmaraş	1							Kocaeli	3		
Karabük	1							Kütahya	1		
Kars	2							Mersin	3		
Kastamonu	1							Muğla	5		
Kayseri	2							Nevşehir	1		
Kırklareli	2							Ordu	1		
Kocaeli	2							Sakarya	2		
Konya	6							Samsun	2		
Malatya	1							Sinop	1		
Mardin	2							Sivas	2		
Mersin	3							Tokat	1		
Muğla	7							Tunceli	1		
Muş	1							Van	1		
Nevşehir	1							Yalova	1		
TOTAL			105	TOTAL	22	TOTAL	1	TOTAL	85		

Macrocenter	
Adana	1
Ankara	2
Antalya	2
Diyarbakır	1
Gaziantep	1
İstanbul	5
İzmir	4
Muğla	3
TOTAL	19

Macrokiosk	
Ankara	2
Antalya	2
Bursa	2
Eskişehir	1
Gaziantep	3
İstanbul	2
Sakarya	1
TOTAL	13

Mion	
Adana	1
Ankara	3
Antalya	1
Balıkesir	1
Diyarbakır	1
Elazığ	1
İstanbul	8
İzmir	4
Kırklareli	1
Kocaeli	1
Mardin	1
Muğla	2
TOTAL	25

5M	
Ankara	1
TOTAL	1

SECTION 4: CORPORATE GOVERNANCE

SAHA Corporate Governance and Credit Rating Services, Inc. ("SAHA"), rated our Company in accordance with the Corporate Governance Principles issued by the Capital Markets Board.

The Corporate Governance Rating of our Company was disclosed as 9.67 (96.74%) as of 28 December 2023 by SAHA in their report made public.

The breakdown of the corporate governance rating of our Company by sub-categories is stated in the table below.

Sub Sections	Weight	Rating (%)
Shareholders	25%	95.83
Public Disclosure and Transparency	25%	98.45
Stakeholders	15%	99.51
Board of Directors	35%	94.97
Average	100%	96.74

Statement of Compliance with Corporate Governance Principle

Migros Ticaret A.Ş. complies with the "**Communiqué on Corporate Governance (II-17.1)**", which were announced by the Capital Markets Board of Türkiye (CMB) and always aims to improve the principles therein. The application of the main principles of Corporate Governance, which are fairness, transparency, responsibility and accountability are continuously reviewed, deficiencies are addressed with the aspiration of becoming an exemplary role model. The Company has adopted the main principles of Corporate Governance which are:

- a) Fairness
- b) Transparency
- c) Responsibility
- d) Accountability.

Migros Corporate Governance Principles Compliance Report, in addition to the annual report, can be accessed at the corporate website (www.migroskurumsal.com) in the Investor Relations section.

Pursuant to the Capital Markets Board of Türkiye (CMB) resolution no. 2/49 dated 10 January 2019, Corporate Governance Compliance Reporting, which is made under the Corporate Governance Communiqué no. II-17.1, shall be made using the Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) on the Public Disclosure Platform (KAP). The said reports can be reached under the Corporate Governance tab on the KAP website. (<https://www.kap.org.tr/en/sirket-bilgileri/ozet/1494-migros-ticaret-a-s>)

Corporate Governance Committee

The working principles of the Corporate Governance Committee are determined by the Board of Directors in line with the requirements of "**Communiqué on Corporate Governance (II-17.1)**" and the requirements of Turkish commercial law. The committee's duties consist of overseeing the company's compliance with corporate governance principles, with taking such action as may be required by current Capital Markets Law and other applicable laws, regulations, and administrative provisions, and with making such recommendations to the Board of Directors as may be deemed to be necessary to constantly improve the company's performance in the area of corporate governance.

A corporate governance committee was set up in 2007 and charged with monitoring corporate governance activities throughout the company and with overseeing the work of the Investor Relations Department.

Furthermore, within the scope of the "**Communiqué on Corporate Governance (II-17.1)**", it has been resolved that the Corporate Governance Committee will be responsible for the duties of the Nomination Committee and the Remuneration Committee. The committee, consists of seven members, convenes four times in a year.

Investor Relations

Investor Relations Department, founded under the Finance Department in 2003, not only manages the relations with domestic and foreign investors but also the processes related to General Assembly, capital increases and dividend distribution. All enquiries and transactions of the shareholders regarding capital increases and dividend payments are handled here by the Investor Relations Department.

In addition, the Investor Relations communicates directly with various institutions including the Capital Markets Board (CMB), Borsa Istanbul (BIST), Central Registry Agency (CRA) and Takasbank (ISE Settlement and Custody Bank Inc.) and represents the Company. Keeping records of the Board of Directors meetings and material disclosures to the Public Disclosure Platform (KAP) in compliance with the CMB Communiqué on Material Events are among the Department's other activities. Migros' Investor Relations Department keeps up with relevant legislation as well as CMB communiqués and informs the senior management on the matters requiring compliance.

The department also responds to the information requests about the Company. Investor Relations is also responsible for the preparation of the annual reports as well as the coordination of Corporate Governance operations and activities.

All shareholders requesting information about Migros can submit their queries by sending e-mail to investor_relations@migros.com.tr. All other channels of communication are also available for the shareholders.

Other Matters

- i. The stakeholders can reach the Corporate Governance Principles Compliance Report as well as the information on corporate social responsibility activities which has an impact on social and environmental matters, employees' rights and their vocational training at the Company corporate website at www.migroskurumsal.com. The assessment of the Board of Directors on the Committees' work guidelines and their effectiveness is included in the Corporate Governance Principles Compliance Report.
- ii. Migros has been continuing to be included in the BIST Sustainability Index since the beginning of the index in 2014.
- iii. Information about various lawsuits filed against or in favor of the Company is provided in the Note 8 of the Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.
- iv. Information on tax assets and liabilities is provided in the Note 16 of the Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.
- v. Information on related parties is provided in the Note 18 of the Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.
- vi. On 17.04.2024, Fitch Ratings, the international credit rating agency, reviewed Migros's national long-term credit rating of 'AAA(tur)' and affirmed the highest rating of 'AAA(tur)'. The rating outlook was also affirmed as "stable".
- vii. Credit rating agency JCR Eurasia Rating (JCR-ER) reviewed Migros' Long-Term National Issuer Credit Rating and affirmed Migros at 'AAA (tr)' which denotes the highest investment grade, with a Stable Outlook. JCR-ER also affirmed our Company's Short-Term National Issuer Credit Rating as 'J1+ (tr)' and Long-Term International Issuer Credit Ratings as 'BB'. The rating outlooks are stable.
- viii. The collective labor agreement, which covers the period of 01.01.2023 - 31.12.2025, was signed by our Company and Tez-Koop. Labor Union. Our Company announced this agreement by a public disclosure on April 12, 2023.
- ix. The sale of our real estate in Antalya Kepez, in which Antalya Kipa Shopping Mall is located, was completed for TL 875,000,000 + VAT. The transfer of ownership certificate was completed on 11 July 2024.

Other Corporate News

In September 2024, "**Migros Ticaret was named Europe's strongest retail grocery brand**" in the "Top 50 Strongest European Grocery Retailers" report prepared in association with one of Europe's prestigious retail publications; "ESM: European Supermarket Magazine" and Brand Finance.

The report evaluates the investments, business performance and brand strength of the leading grocery retailers in Europe. Migros secured the highest score and the top rating of AAA+.

In addition, Migros has been included in Borsa Istanbul's BIST 30 Index as of 1 October 2024. The Company is also a member of BIST Sustainability, BIST Sustainability 25 and BIST Corporate Governance indices.

Donations and Assistance

The upper limit of the donations to be made by the Company in 2024 has been determined as 12,000,000 TL and this has been approved by the Board.

No event of any special importance has occurred at the Company after the end of the fiscal year that could affect the rights of shareholders, creditors or other concerned persons and institutions.

Research and Development Activities

The Company's total R&D expenditures in the first nine months of 2024 is TL 516,132 thousand (9M 2023: TL 415,141 thousand).

Migros Ticaret A.Ş., which was issued an R&D Center certificate from the Republic of Türkiye Ministry of Industry and Technology, has been continuing with its technical research and development activities in areas of business and software development in 2024.

New practices are being developed at the Migros R&D Center for creating new and/or improving existing processes pertaining to retail activities carried out by the Migros head office in the stores and distribution centers. Applications that mostly contain innovative solutions integrated with technological hardware and smart systems helped to improve our work processes related with customers and suppliers.

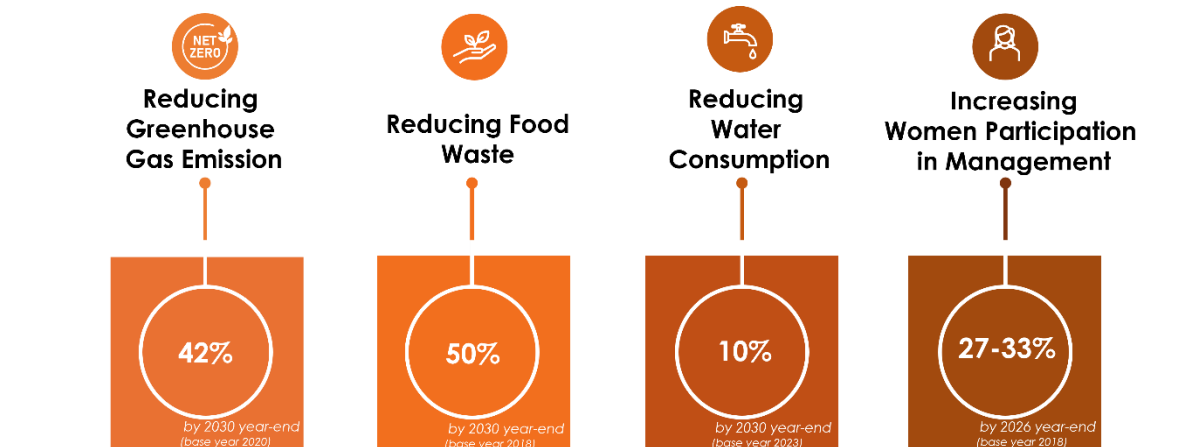
Our Sustainability Approach

The notion of sustainability is both the core of Migros' business model and the engine that powers its efforts to create value for all of its stakeholders. Migros addresses sustainability-related environmental, social, and economic-priority issues, focus issues, and roadmap issues in its "Migros Better Future Plan". To this end, activities are undertaken to address many different issues such as protecting biodiversity, supporting sustainable agriculture, preventing food waste, reducing plastic waste, combating climate change, standardizing product content information and making it more transparent, making products and services more accessible through digitalization, promoting gender and opportunity equality, and contributing to public wellbeing.

Migros announces in its annual report if the Company complies with the sustainability principles, the reasons of not complying to these principles, if any; and the impact on its environmental and social risk management because of not fully complying to these principles. There is not any material change in these announcements during the reporting period.

Migros' 2023 Annual Integrated Report is posted on the Company corporate website (www.migroskurumsal.com).

The long-term sustainability targets of Migros are as follows;



Subsequent Events

Information about subsequent events is provided in the Note 24 of the Condensed Consolidated Financial Statements for the Interim Period 1 January – 30 September 2024 of the Company.