Migros Ticaret A.Ş.

1Q 2021 Financial Results

MiGROS

Contents

- Sales
- Online Business
- Expansion
- Market Share Evolution
- Financial Overview
- Strategy Update & Guidance
- Operations & Financials Details

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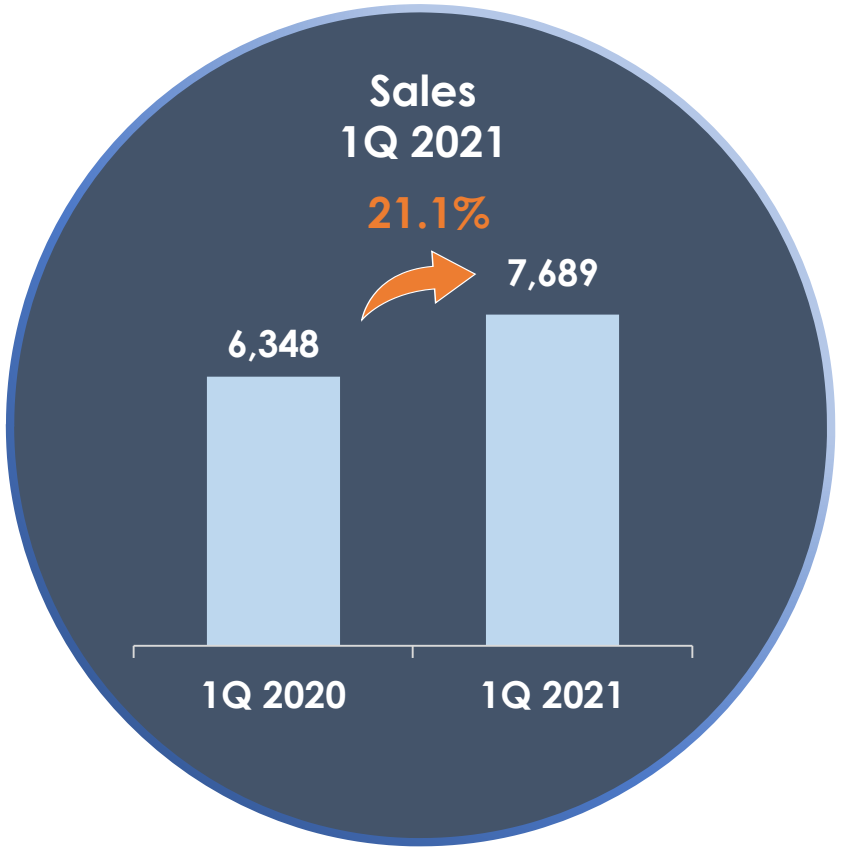
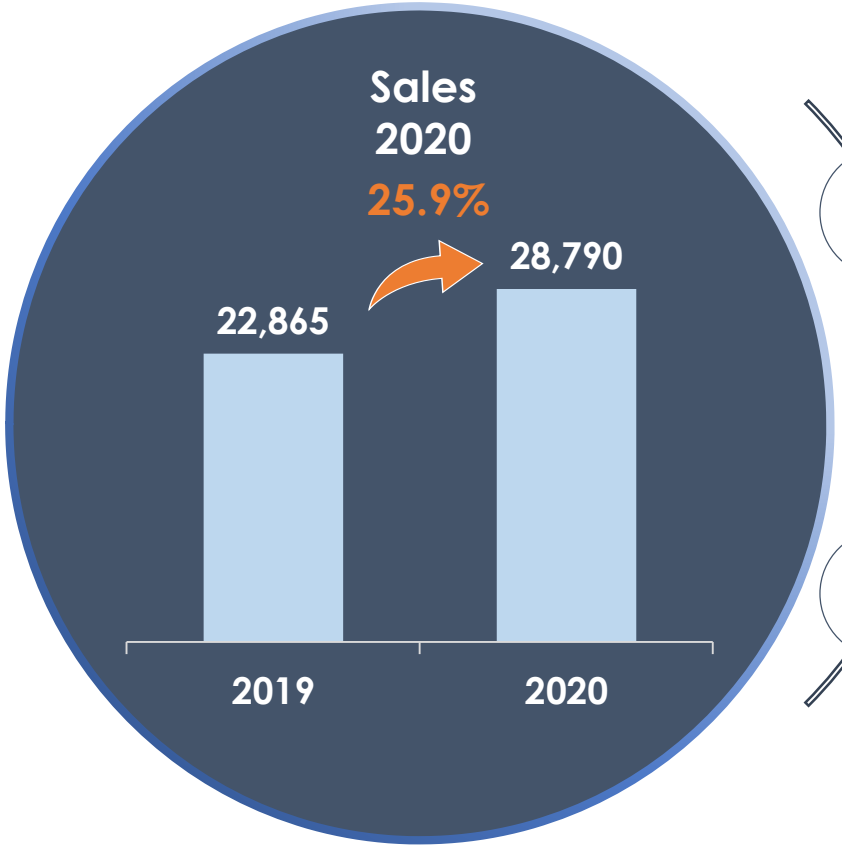
Sales – 1Q 2021 (TL million)





22.2% domestic growth in 1Q 2021

Elevated home consumption

Accelerated sales performance in online channels

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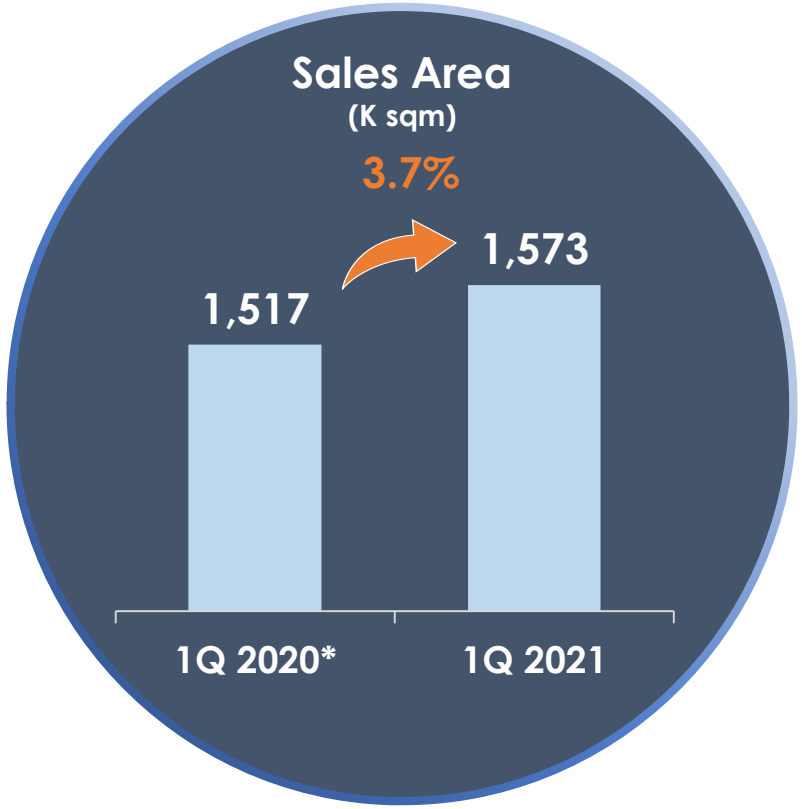
Online Service Channels

	Online Orders MiGROS sanalmarket	Online Orders MiGROS hemen	# of Customers	New Customers MiGROS sanalmarket
1Q 2021 vs 1Q 2020	x2.6	x9.0	x2.0	x1.6

	MiGROS sanalmarket	MiGROS hemen	macro online	Taze Direkt .com
	81 cities	**23 cities**	**7 cities**	**4 cities**
	+30,000 SKU	~2,500 SKU	+13,000 SKU	+2,150 SKU
	577 stores	127 stores	60 stores	Direct from farm to consumers
	Delivery within 30 mins			
2020 vs 2019	x2.7	x16.3	x2.6	x3

Expansion



*4M 2021: **82** new stores*

*4M 2021: **212** new online service stores*

** Excluding discontinued North Macedonian operations*

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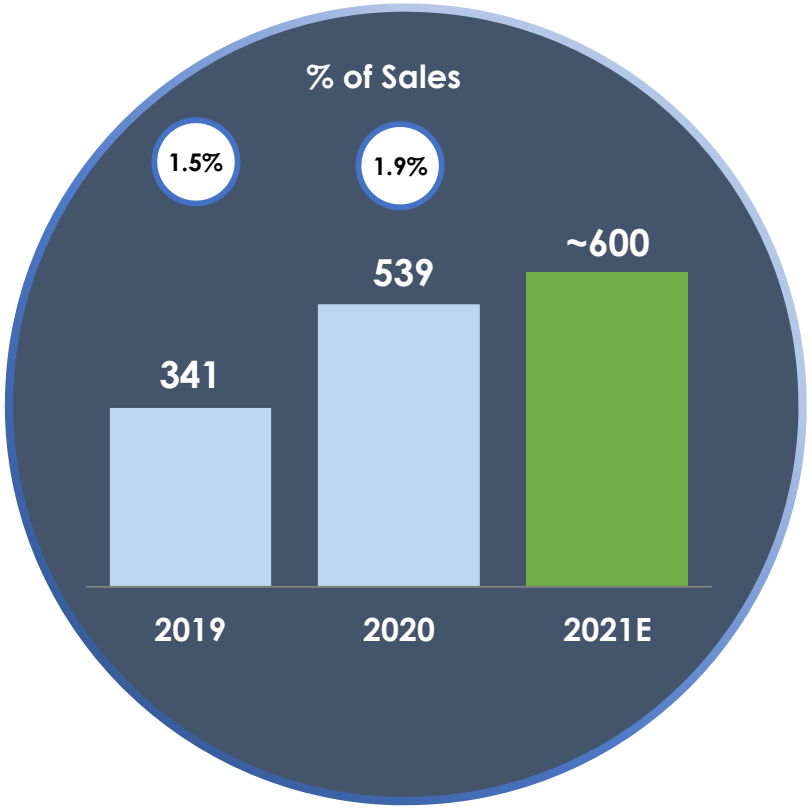
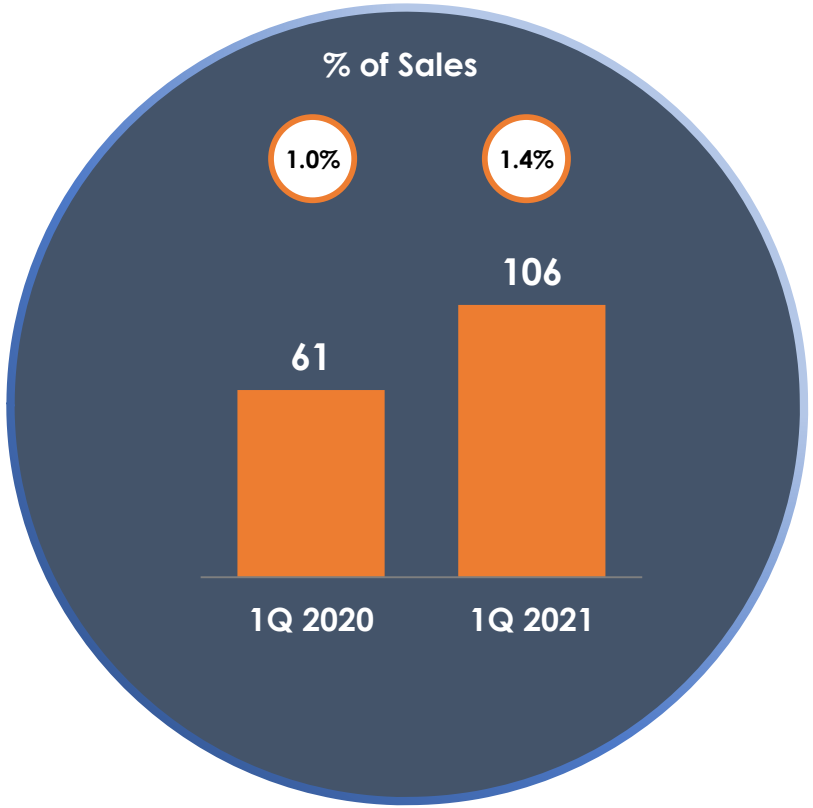
CAPEX (TL million)





Accelerated store expansion

Gebze F&V Packaging Facility

- ✓ Packaging capacity: 34,000 tons/year
- ✓ Macrocenter, MigrosJet and M stores
- ✓ No plastic waste, environmentally friendly
- ✓ Employment for ~150 people

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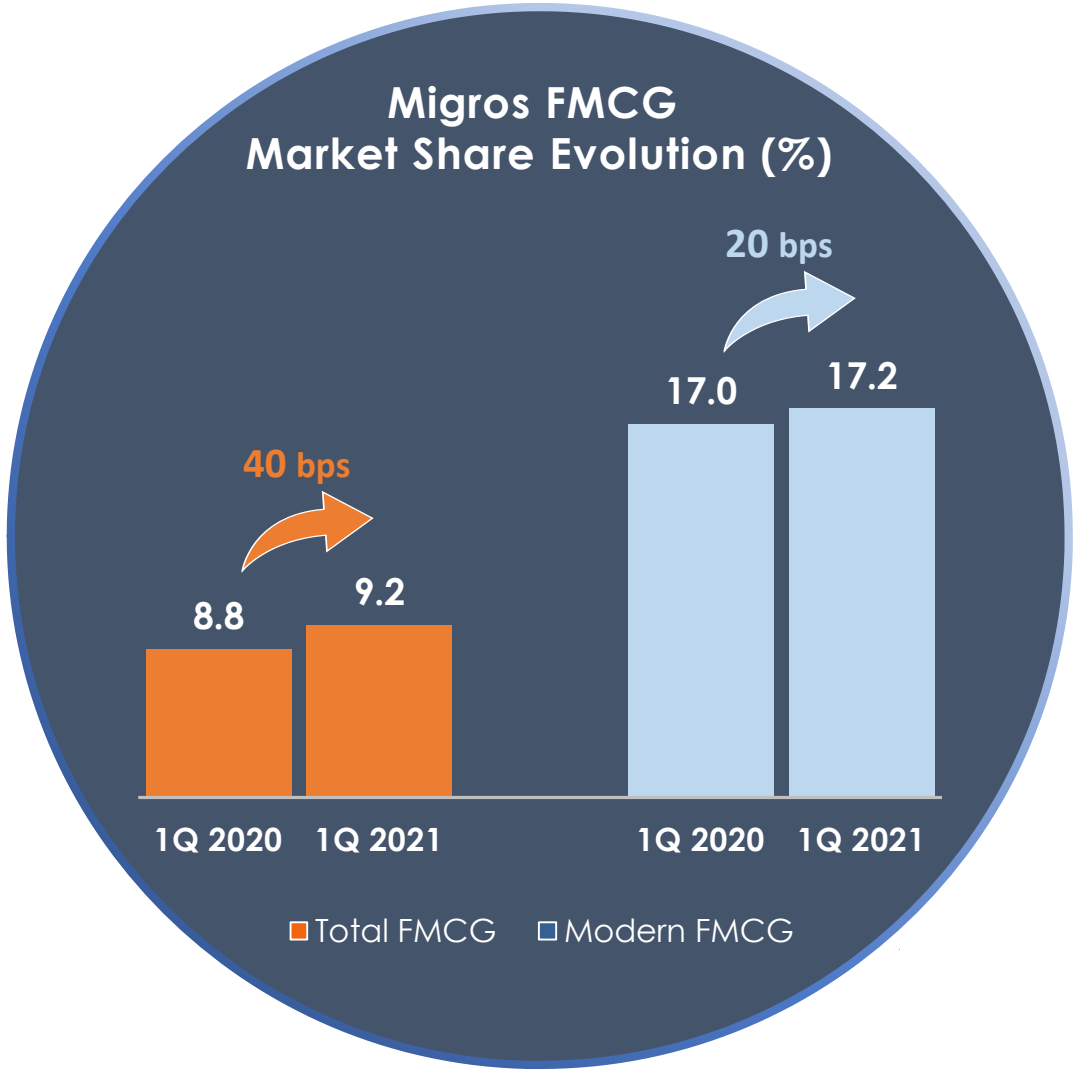
Market Share Evolution



Source: Nielsen
Note: FMCG: Fast Moving Consumer Goods, Modern and total FMCG market include all food-retail formats

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Financial Overview

Consolidated Gross Profit (TL million)

Margin	26.7%	27.6%

Normalized Gross Profit increase: 23.0%*

Margin	26.4%	27.1%

Normalized Gross Profit increase: 22.3%*

** Normalized Gross Profit with current (actual) imputed interest rates as per IFRS accounting to neutralize the impact of interest rates in due date charges*

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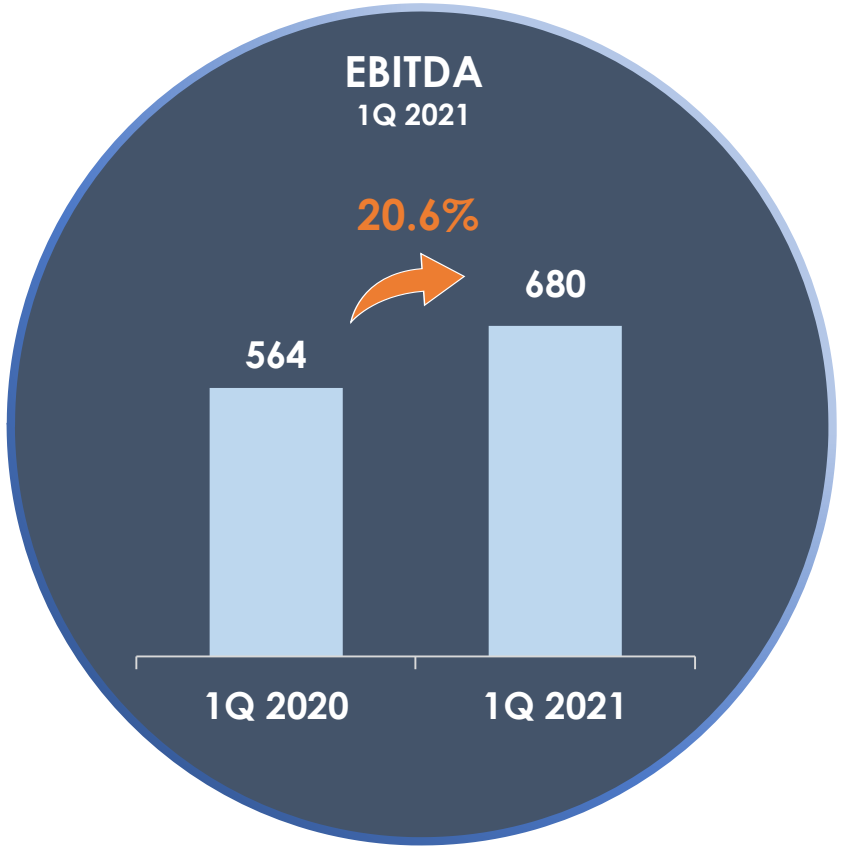
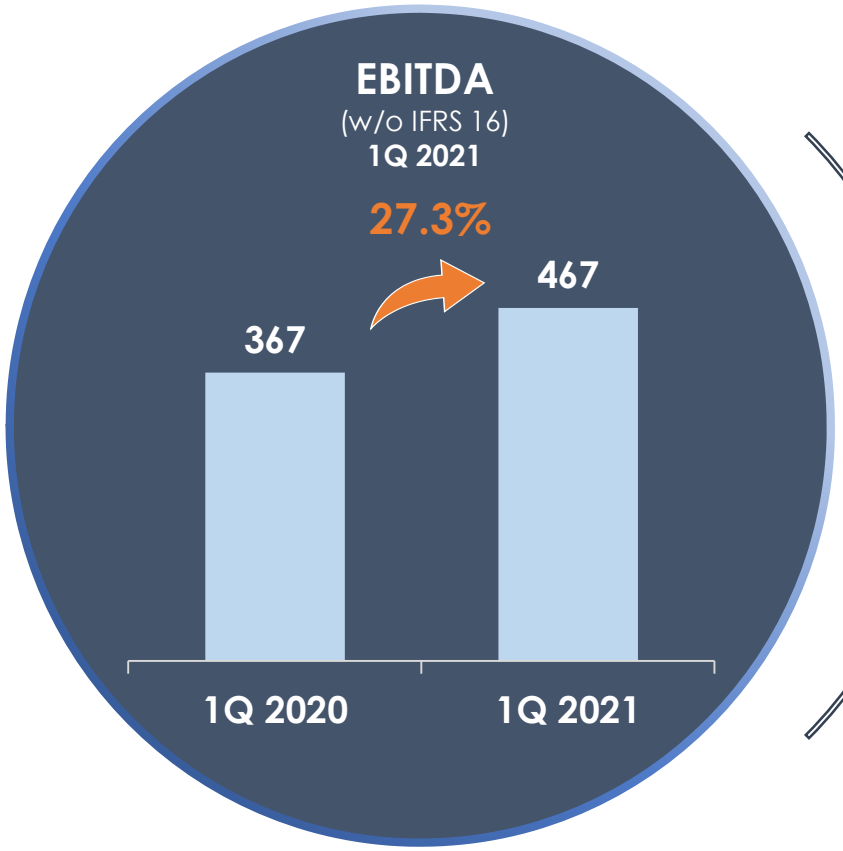
Consolidated EBITDA (TL million)





Asset divestitures & Covid-19 dilution impact in malls[1] : **34 bps**

Margin	**8.9%**	**8.8%**

Normalized EBITDA increase: 14.5%*

Margin	**5.8%**	**6.1%**

Normalized EBITDA increase: 17.7%*

[1] *Includes rental income revenues loss in divested malls, Covid-19 impact in malls and increased rental expense in stores*
* *Normalized EBITDA with current (actual) imputed interest rates as per IFRS accounting to neutralize the impact of interest rates in due date charges*

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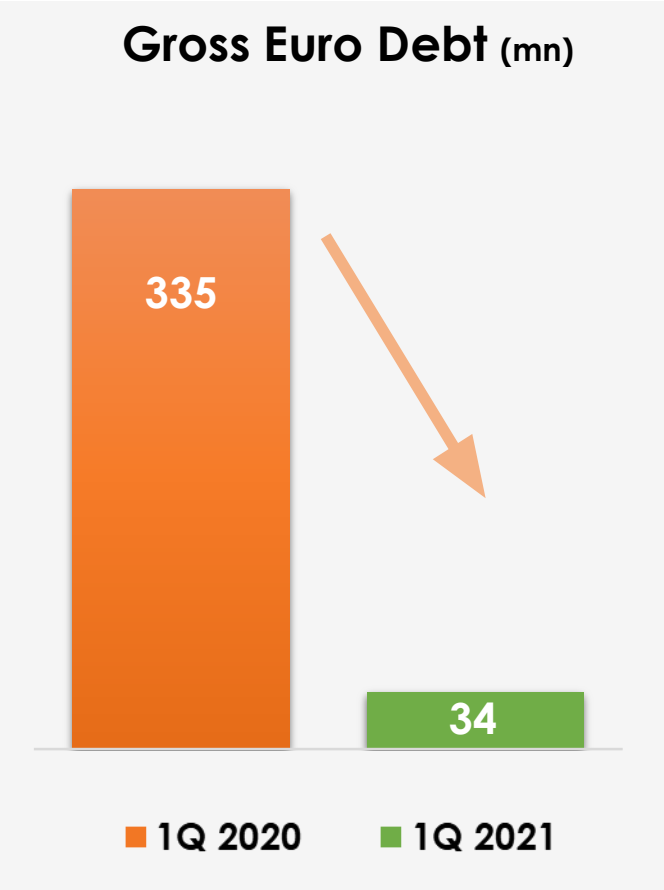
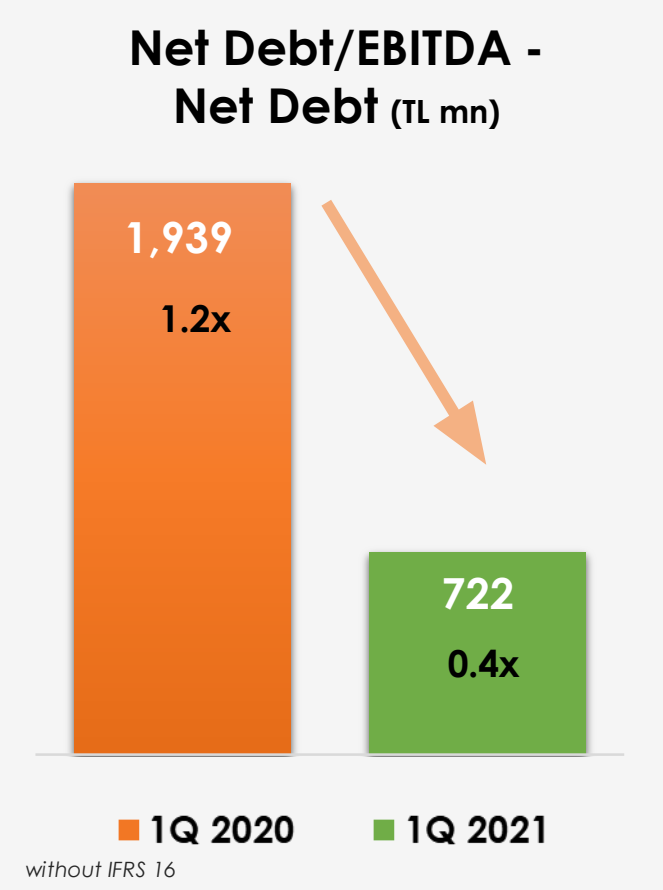
Improved Balance Sheet Structure



Gross foreign currency bank debt is **nil** as of April 2021

Significant improvement in net debt position



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Strategy Update & Guidance

- Foreign Operations
- New Normal Initiatives

Divestiture of Ramstore Macedonia & Kazakhstan Operations

Ramstore

North Macedonia

- **Divested North Macedonian operations** (29.03.2021)
- **Transaction value:** EUR 39.2 mn

Ramstore

Kazakhstan

- **Exited** from retail business
- **Operating a company-owned mall** in Almaty

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Enriching Ready Meal Portfolio

Ready Meal

Store:	**378**
Online:	**192**
Instant Delivery:	**122**

Store:	**1,572**
Online:	**520**
Instant Delivery:	**66**

Food Atelier

Dark Kitchen

- ✓ in 5M store
- ✓ Take-away
- ✓ Migros Hemen

Building New Ecosystem

Last-mile Delivery

Fintech Subsidiary

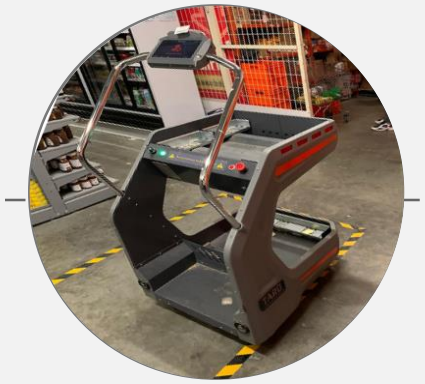
- ✓ e-wallet
- ✓ Money transfer & Bill-payment
- ✓ Product financing

7/24 Self-Service Concept

Piloting in 3 cities

Migros with Startups

- ✓ Collaboration opportunities
- ✓ Engaging with young talents
- ✓ Agile solutions for problem solving



Fulfillment Center Automation

- ✓ TARO Robots
- ✓ x5 picking efficiency
- ✓ Low cycle times & labor cost

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1Q 2021 Underlying Performance

Net Sales

TL 7,689
in million

Domestic Sales Growth

22.2%

EBITDA Margin

8.8%

Net Profit

TL 210
in million

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2021 Guidance (Consolidated)

Sales Growth

15-18%

maintained

EBITDA Margin

8-8.5%

maintained

Expansion Target

~ 170
new stores

maintained

CAPEX

~ TL 600
mn

maintained

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Appendix

- Operations
- Financials

Migros at a Glance

MiGROS

67th year

TL 28.8 billion sales in 2020

38,368 employees

1,500+ suppliers

49.18% free float

The only food retailer listed in BIST Sustainability Index for **7 years in a row**

Included BIST Corporate Governance Index **since 2015**

Best retailer for **17 years in a row**

TÜRKİYE'NİN EN BEĞENİLEN ŞİRKETLERİ

2,330 stores

in all 81 cities

8.6m loyal households **Money Card**
13.7m active cards

MiGROS sanalmarket | MiGROS hemen Hemen kapında. | macro online | Taze Direkt .com

Introduced **more than 100 innovations** in the retail market

Turkey's **biggest** integrated meat-processing plant
62,000 tons production capacity

MİGET

Sales Area Split – 1Q 2021

40 sqm - 3,500 sqm

Supermarkets

79%

2,188

M
MM
MMM
MiGROS jet

3,500 sqm – 8,500 sqm

Hypermarkets

17%

55

5M MiGROS

250 sqm – 2,000 sqm

Macrocenter

3%

64

macro center

200 sqm – 1,600 sqm

Wholesale

1%

23

MiGROS TOPTAN

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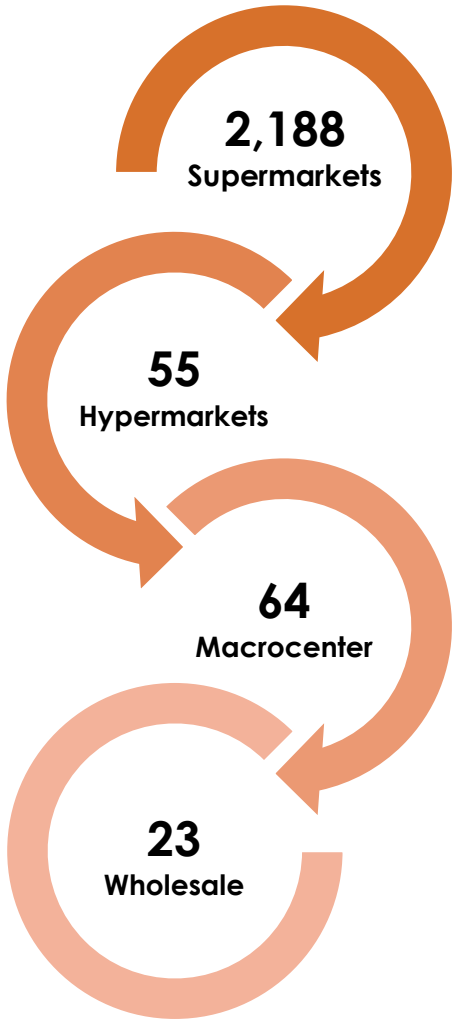
Store Portfolio



	31 March 2020		31 March 2021	
	# of stores	Sales area (th sqm)	# of stores	Sales area (th sqm)
Migros (M, MM,MMM)	1,209	1,002.9	1,315	1,067.7
Migros Jet	843	171.7	873	181.2
5M	55	268.9	55	266.9
Wholesale	20	11.5	23	13.4
Macrocenter	59	41.0	64	44.1
Domestic Total	**2,186**	**1,495.9**	**2,330**	**1,573.3**
Ramstores*	16	20.9	-	-
Grand Total	**2,202**	**1,516.8**	**2,330**	**1,573.3**

* *Excluding discontinued North Macedonian operations which were divested on 29 March 2021*
* *Exited from retail business in Kazakhstan in 2020 year-end*

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IFRS Consolidated Income Statement Summary – 1Q 2021

(TL million)	1Q 2020	1Q 2021
Net Sales	**6,348**	**7,689**
Cost of sales	-4,651	-5,567
Gross Profit	**1,696**	**2,122**
Operating Expenses	-1,396	-1,727
Other Operating Income / (Expense)	-66	-138
Operating Profit	**235**	**258**
Income / (Expense) from Investment activities	-1	212
Operating Income Before Finance Income / (Expense)	**233**	**469**
Financial Income / (Expense)	-377	-228
Income/Loss Before Tax From Continuing Operations	**-144**	**241**
Tax Income / (Expenses)	-32	-57
Deferred Tax Income / (Expenses)	43	24
Net Profit / Loss from Continuing Operations	**-134**	**209**
Net Profit / Loss Discontinued Operations	**2**	**1**
Net Profit / Loss	**-132**	**210**
Net Profit / Loss - Non-controlling interest	0	0
Net Profit / Loss - Equity holders of parent	-132	210
EBITDA	**564**	**680**
EBITDA (w/o IFRS 16 impact)	**367**	**467**
EBITDAR	**662**	**817**

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IFRS Consolidated Balance Sheet Summary – 1Q 2021

(TL million)	2020	1Q 2021
Current Assets	7,331	6,458
Non-current Assets	8,047	8,018
Total Assets	**15,378**	**14,476**
Current Liabilities	10,403	10,226
Non-current Liabilities	4,942	4,216
Total Liabilities	**15,345**	**14,442**
Equity	**33**	**34**
Total Liabilities and Equity	**15,378**	**14,476**

Cash Position & Leverage

(Total TL mn)	Without IFRS 16		With IFRS 16	
	1Q 2020	1Q 2021	1Q 2020	1Q 2021
Cash & Cash Equivalents	2,483	2,345	2,483	2,345
TL	*1,678*	*1,695*	*1,678*	*1,695*
EUR	*112*	***66***	*112*	***66***
Financial Debt	4,422	3,067 ↓	6,929[1]	5,943[1] ↓
TL	*2,005*	*2,733*	*4,513*	*5,609*
EUR	*335*	***34***	*335*	***34***
Net Debt	1,939	722 ↓	4,446	3,598 ↓
EBITDA	1,564	1,638	2,315	2,468
Net Debt / EBITDA	**1.2x**	**0.4x** ↓	**1.9x**	**1.5x** ↓

[1] *Includes capitalized costs of lease contracts over their maturity*

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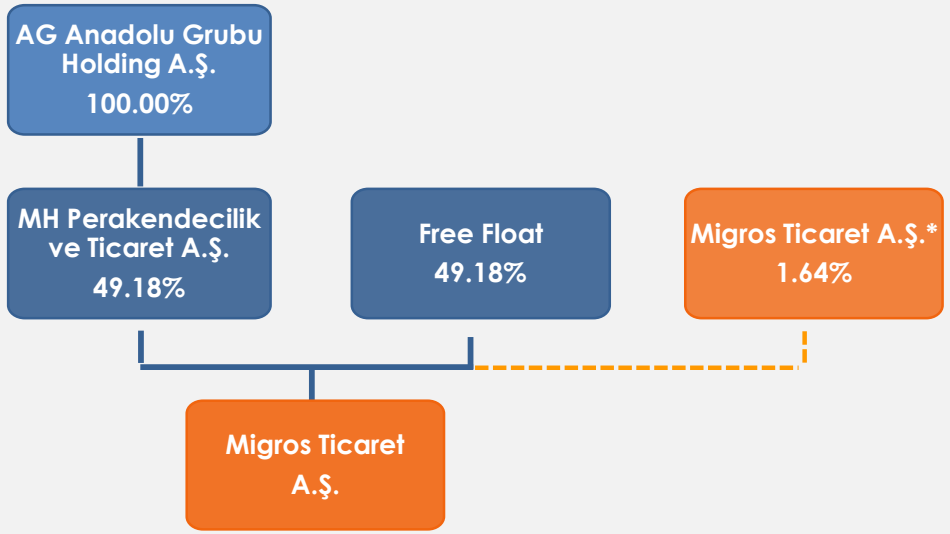
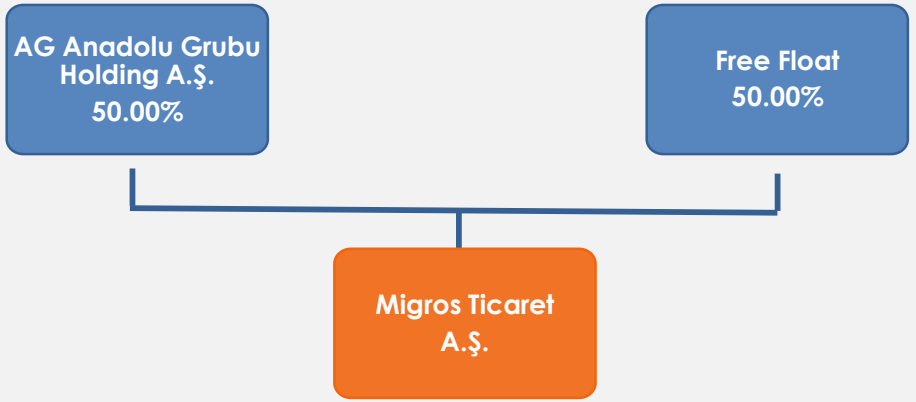
Ownership Structure

Direct Shareholding Structure



Indirect Shareholding Structure



(*): Migros purchased its own shares due to the merger in 2018 in accordance with relevant CMB legislation

BC Partners sold its remaining 11.77% stake in Migros in January 2021

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Sustainability

Migros Better Future Plan

- Combating climate change
- Consistent and rapid flow of product data
- Innovative implementations
- Compliance with human rights and equal opportunities
- Environmental impact assessments before new operations
- Improving life cycle of products

- Waste management and circular economy
- Preventative solutions for pollution
- Efficient use of resources
- Value added activities to raise awareness
- Conservation of biodiversity
- Creating shared value with stakeholders

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Sustainability*

Carbon Footprint*

2019: 26.6%** ↓
(completed 2023 target)
by 2024: 7% ↓

CDP DISCLOSURE INSIGHT ACTION
3 times among **Climate Leaders**
in 2020 among **Water Leaders**

Food Waste

2020: 24% ↓
by 2030: 50% ↓

Energy Consumption*

2019: 16.3% ↓
by 2024: 18.5% ↓

Gender Equality

Current: 29%
by 2025: 31%
(management)

2019: 18%
Current: 22%
by 2023: 23%
(senior management)

** 2019 data. 2020 data will be publicly available in June 2021.*
*** 2019 data has been independently verified on the basis of ISO 14064-3 standard.*

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Initiatives on Sustainability

Healthier Lives

WellBeing Journey: Leading Programme in the global retail sector

Total access: **2.3 million**

Target: **x2** more people interaction

The Consumer Goods FORUM

Food Waste

The only retailer in Turkey **'10x20x30' initiative**

Involved **23+ suppliers**

by 2030: 50% ↓

10X20X30

The Consumer Goods FORUM

Sustainable Agriculture & Biodiversity

Regenerative Agriculture: **Good Agricultural Practices**

Product Portfolio: Tastes of Anatolia & Local Seeds Heritage

'Agriculture is our future' documentary

op2b one planet business for biodiversity

Gender Equality

'CEO Pledge'

Current: 22% (senior mgmt)

by 2023: 23% (senior mgmt)

LEAD NETWORK

Data Transperancy & Integrity

Leading the industry in Turkey for transformation

In the barcode system: **2,400 products**

by 2021: all products

GS1

The Consumer Goods FORUM

MIGROS

Waste Management & Biodiversity Conservation

Combating Food Waste

Day-end clearance on perishables:
4,474 tons of food

Food Donation:
2.5 million meals

Fresh Leftovers Donation:
1,120 tons of food

Combating Plastic Waste

Plastic bags: **66%**

373 tons less plastic
on PL products

Good Agricultural Practices

GAP certified F&V: **963,413 tons**

100% GAP certified poultry products
317 checkpoints

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Annex

– 2019 vs 2020 Quarterly Income Statements

(Restated figures, excluding discontinued North Macedonian operations)

IFRS Consolidated Income Statement Summary – Quarterly 2020 vs 2019 (Restated*)

(TL million)	1Q 2019	1Q 2020	2Q 2019	2Q 2020	3Q 2019	3Q 2020	4Q 2019	4Q 2020
Net Sales	**4,846**	**6,348**	**5,723**	**6,906**	**6,384**	**7,610**	**5,912**	**7,927**
Cost of sales	-3,511	-4,651	-4,182	-5,113	-4,632	-5,660	-4,420	-5,966
Gross Profit	**1,336**	**1,696**	**1,540**	**1,793**	**1,752**	**1,949**	**1,492**	**1,961**
Operating Expenses	-1,080	-1,396	-1,186	-1,494	-1,272	-1,525	-1,233	-1,603
Other Operating Income / (Expense)	-103	-66	-140	-74	-117	-79	-158	-129
Operating Profit	**153**	**235**	**215**	**225**	**363**	**345**	**101**	**229**
Income / (Expense) from Investment activities	-5	-1	13	0	6	44	-45	-14
Operating Income Before Finance Income / (Expense)	**148**	**233**	**228**	**225**	**369**	**390**	**56**	**215**
Financial Income / (Expense)	-354	-377	-371	-330	-127	-335	-390	-242
Income/Loss Before Tax From Continuing Operations	**-206**	**-144**	**-144**	**-105**	**242**	**55**	**-334**	**-27**
Tax Income / (Expenses)	0	-32	0	-44	-6	-53	6	-62
Deferred Tax Income / (Expenses)	-11	43	9	6	-33	-4	5	-36
Net Profit / Loss from Continuing Operations	**-217**	**-134**	**-134**	**-143**	**204**	**-2**	**-324**	**-125**
Net Profit / Loss Discontinued Operations	**3**	**2**	**3**	**-1**	**0**	**1**	**5**	**0**
Net Profit / Loss	**-214**	**-132**	**-131**	**-144**	**203**	**-2**	**-319**	**-125**
Net Profit / Loss - Non-controlling interest	0	0	0	0	0	0	0	0
Net Profit / Loss - Equity holders of parent	-214	-132	-131	-144	203	-2	-319	-125
EBITDA	**481**	**564**	**569**	**539**	**684**	**638**	**498**	**612**
EBITDA (w/o IFRS 16 impact)	**307**	**367**	**390**	**345**	**498**	**430**	**309**	**396**
EBITDAR	**546**	**662**	**653**	**640**	**785**	**769**	**589**	**753**

** Restated figures. Excluding discontinued North Macedonian operations*

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