

MİGROS TİCARET A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY - 30 JUNE 2023**

(ORIGINALLY ISSUED IN TURKISH)

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

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2023

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS	1-3
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	4
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME.....	5
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	6
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	7-8
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	9-44
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	9-10
NOTE 2 BASIS OF PRESENTATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	10-14
NOTE 3 PROPERTY, PLANT AND EQUIPMENT	15-16
NOTE 4 INTANGIBLE ASSETS	17-18
NOTE 5 RIGHT OF USE ASSETS.....	19
NOTE 6 INVENTORIES	20
NOTE 7 FINANCIAL LIABILITIES.....	20-23
NOTE 8 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	24-25
NOTE 9 EMPLOYEE BENEFITS OBLIGATION.....	25-26
NOTE 10 REVENUE	27
NOTE 11 NATURE OF EXPENSES.....	28-29
NOTE 12 OTHER OPERATING INCOME AND EXPENSES	29
NOTE 13 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES.....	30
NOTE 14 FINANCIAL INCOME.....	30
NOTE 15 FINANCIAL EXPENSES.....	31
NOTE 16 TAX ASSET AND LIABILITIES	31-34
NOTE 17 CAPITAL, RESERVES AND OTHER EQUITY ITEMS.....	34-35
NOTE 18 RELATED PARTY DISCLOSURES.....	35-36
NOTE 19 EARNINGS PER SHARE	37
NOTE 20 EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION	37-40
NOTE 21 FINANCIAL INSTRUMENTS.....	40
NOTE 22 SUBSEQUENT EVENTS.....	41
APPENDIX - 1 EBITDA	42
APPENDIX - 2 CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE EFFECT OF TFRS 16.....	43-44

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF
30 JUNE 2023 AND 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
ASSETS			
Current assets:			
Cash and cash equivalents		12,345,563	7,678,469
Financial investments		34,825	388,086
Trade receivables		619,780	487,262
-Trade receivables from related parties	18	3,634	5,326
-Trade receivables from third parties		616,146	481,936
Other receivables		228,256	62,041
-Other receivables from third parties		228,256	62,041
Derivative instruments		-	2,454
Inventories	6	14,662,822	10,904,668
Prepaid expenses		341,782	443,527
Current income tax assets	16	-	141,964
Other current assets		12,909	14,844
Total current assets		28,245,937	20,123,315
Non-current assets:			
Financial investments		934,132	602,846
Other receivables		712,163	583,028
-Other receivables from third parties		712,163	583,028
Derivative instruments		-	3,031
Property, plant and equipment	3	7,549,403	6,965,964
Right of use assets	5	5,485,908	4,287,137
Intangible assets		2,602,261	2,570,374
-Goodwill		2,341,178	2,341,178
-Other intangible assets	4	261,083	229,196
Prepaid expenses		331,831	125,606
Deferred tax assets	16	966,401	1,162,567
Total non-current assets		18,582,099	16,300,553
Total assets		46,828,036	36,423,868

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF
30 JUNE 2023 AND 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities:			
Short term borrowings		652,176	408,635
<i>-Bank loans</i>	7	652,176	408,635
Short term portion of long term borrowings		2,602,534	2,034,406
<i>-Bank loans</i>	7	1,061,096	825,390
<i>-Lease liabilities</i>		1,541,438	1,209,016
Trade payables		27,411,243	21,039,843
<i>-Trade payables to related parties</i>	18	1,231,593	714,529
<i>-Trade payables to third parties</i>		26,179,650	20,325,314
Payables related to employee benefits	9	1,427,699	752,207
Other payables		177,867	357,960
<i>-Other payables to third parties</i>		177,867	357,960
Deferred income		616,451	342,257
Current income tax liabilities	16	220,956	-
Short term provisions		949,886	1,037,111
<i>-Short term provisions for employee benefits</i>	9	661,938	572,201
<i>-Other short term provisions</i>	8	287,948	464,910
Other current liabilities		83,575	37,858
Total current liabilities		34,142,387	26,010,277
Non-current liabilities:			
Long term borrowings		5,762,658	5,012,249
<i>-Bank loans</i>	7	1,148,871	1,406,748
<i>-Lease liabilities</i>		4,613,787	3,605,501
Other payables		40,728	32,234
<i>-Other payables to third parties</i>		40,728	32,234
Deferred income		354,008	67
Long term provisions		564,835	1,279,290
<i>-Long term provisions for employee benefits</i>	9	564,835	1,279,290
Total non-current liabilities		6,722,229	6,323,840
Total liabilities		40,864,616	32,334,117

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED BALANCE SHEETS AS OF
30 JUNE 2023 AND 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
EQUITY			
Attributable to equity holders of parent		5,839,964	4,045,688
Share capital	17	181,054	181,054
Treasury shares	17	(125,435)	(125,435)
Additional contribution to share capital		22,074	22,074
Other comprehensive income not to be classified to profit or loss		645,973	1,044,536
-Defined benefit plans re-measurement losses		(731,479)	(731,479)
-Revaluation fund of property, plant and equipment		1,377,452	1,776,015
Other accumulated comprehensive income/expense to be classified to profit or loss		747,689	593,987
-Currency translation differences		162,223	200,828
-Gains on financial assets measured at fair value through OCI		585,466	393,159
Other capital reserves		62,198	526,476
Accumulated gains/(losses)		2,246,806	(767,287)
Net income for the period		2,059,605	2,570,283
Non-controlling interest		123,456	44,063
Total equity		5,963,420	4,089,751
Total liabilities and equity		46,828,036	36,423,868

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE
INTERIM PERIOD 1 JANUARY - 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2023	Not Reviewed 1 April - 30 June 2023	Reviewed 1 January - 30 June 2022	Not Reviewed 1 April - 30 June 2022
Revenue	10	60,134,544	32,951,170	28,234,765	15,963,368
Cost of sales (-)	11	(46,081,312)	(25,447,548)	(21,060,550)	(11,921,745)
Gross profit		14,053,232	7,503,622	7,174,215	4,041,623
General administrative expenses (-)	11	(956,351)	(524,483)	(391,129)	(203,328)
Marketing expenses (-)	11	(10,049,021)	(5,276,401)	(4,935,564)	(2,701,847)
Other operating income	12	241,103	144,011	214,419	112,032
Other operating expenses (-)	12	(1,162,400)	(669,408)	(921,109)	(473,725)
Operating profit		2,126,563	1,177,341	1,140,832	774,755
Income from investment activities	13	288,126	283,973	80,374	40,868
Expenses from investment activities (-)	13	(7,744)	(6,148)	(3,903)	(1,015)
Share of profit of investments accounted for using the equity method		-	-	-	(6,785)
Operating income before financial income		2,406,945	1,455,166	1,217,303	807,823
Financial income	14	1,233,005	922,893	247,875	137,050
Financial expenses (-)	15	(1,111,827)	(596,051)	(706,257)	(367,224)
Net profit before tax from continuing operations		2,528,123	1,782,008	758,921	577,649
Tax expense from continuing operations		(447,283)	(266,997)	(156,114)	(133,429)
Income tax expense (-)	16	(267,148)	(267,148)	(225,652)	(163,132)
Deferred tax expense / (income)	16	(180,135)	151	69,538	29,703
Net income for the period		2,080,840	1,515,011	602,807	444,220
Net income attributable to:					
- Non-controlling interest		21,235	15,358	3,601	3,411
- Equity holders of parent	19	2,059,605	1,499,653	599,206	440,809
Profit per share (TRY) from continuing operations	19	11.38	8.28	3.31	2.43

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE
INCOME**

FOR THE INTERIM PERIOD ENDED 1 JANUARY- 30 JUNE 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Reviewed 1 January - 30 June 2023	Not Reviewed 1 April - 30 June 2023	Reviewed 1 January - 30 June 2022	Not Reviewed 1 April - 30 June 2022
Net profit for the period	2,080,840	1,515,011	602,807	444,220
Items that not to be reclassified to profit or loss				
-Tangible fixed asset revaluation increases/(decreases)	-	(3,084)	1,839	1,275
Taxes on other comprehensive income that will not be reclassified to profit or loss				
-Tangible fixed asset revaluation increases/(decreases), tax effect	45,247	45,864	(368)	(255)
Items to be reclassified to profit or loss				
- Other comprehensive income on financial assets at fair value through other comprehensive income	256,409	240,376	-	-
-Currency translation differences	(38,605)	(53,284)	6,405	1,046
Taxes on other comprehensive income that will be reclassified to profit or loss				
- Tax effect other comprehensive income on financial assets ..at fair value through other comprehensive income	(64,102)	(60,094)	-	-
Other comprehensive income , after tax	198,949	169,778	7,876	2,066
Total comprehensive income	2,279,789	1,684,789	610,683	446,286
Allocation of total comprehensive income				
-Non-controlling interests	21,235	15,358	3,601	3,411
-Equity holders of parent	2,258,554	1,669,431	607,082	442,875

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED
1 JANUARY - 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

					Other comprehensive income / expense not to be reclassified to profit or loss	Other comprehensive income / expense to be reclassified to profit or loss							
	Share capital	Other capital reserves	Treasury shares	Additional contribution share capital	Defined benefit plans re-measurement (losses)/gains	Increase/(decrease) of revaluation fund of fixed assets	Gains on financial assets at fair value through other comprehensive income	Foreign currency translation difference	Retained earnings				
									Accumulated losses	Net profit for the period	Attributable equity holder of the parent	Non controlling interests	Total equity
Balances at 1 January 2022	181,054	250,217	(125,435)	22,074	1,118	714,008	-	48,990	(914,843)	358,881	536,064	-	536,064
Transfers	-	276,259	-	-	-	(22,858)	-	-	105,480	(358,881)	-	-	-
Transactions with entities with non-controlling interests	-	-	-	-	-	-	-	-	34,797	-	34,797	33,018	67,815
Other adjustments	-	-	-	-	-	-	-	-	8,034	-	8,034	-	8,034
Total comprehensive income	-	-	-	-	-	1,471	-	6,405	-	599,206	607,082	3,601	610,683
Net income for the period	-	-	-	-	-	-	-	-	-	599,206	599,206	3,601	602,807
Currency translation differences	-	-	-	-	-	-	-	6,405	-	-	6,405	-	6,405
Revaluation fund of property, plant and equipment	-	-	-	-	-	1,471	-	-	-	-	1,471	-	1,471
Balances at 30 June 2022	181,054	526,476	(125,435)	22,074	1,118	692,621	-	55,395	(766,532)	599,206	1,185,977	36,619	1,222,596
Balances at 1 January 2023	181,054	526,476	(125,435)	22,074	(731,479)	1,776,015	393,159	200,828	(767,287)	2,570,283	4,045,688	44,063	4,089,751
Transfers	-	-	-	-	-	(443,810)	-	-	3,014,093	(2,570,283)	-	-	-
Transactions with entities with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	58,158	58,158
Dividends paid	-	(464,278)	-	-	-	-	-	-	-	-	(464,278)	-	(464,278)
Total comprehensive income	-	-	-	-	-	45,247	192,307	(38,605)	-	2,059,605	2,258,554	21,235	2,279,789
Net income for the period	-	-	-	-	-	-	-	-	-	2,059,605	2,059,605	21,235	2,080,840
Currency translation differences	-	-	-	-	-	-	-	(38,605)	-	-	(38,605)	-	(38,605)
Gain on revaluation and measurement	-	-	-	-	-	-	192,307	-	-	-	192,307	-	192,307
Revaluation fund of property, plant and equipment	-	-	-	-	-	45,247	-	-	-	-	45,247	-	45,247
Balances at 30 June 2023	181,054	62,198	(125,435)	22,074	(731,479)	1,377,452	585,466	162,223	2,246,806	2,059,605	5,839,964	123,456	5,963,420

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2023	Reviewed 1 January - 30 June 2022
Cash flows from operating activities:			
Net profit for the period		2,080,840	602,807
Adjustments related to reconciliation of net profit for the period		2,469,984	2,256,699
Adjustments for depreciation and amortisation expenses	11	910,917	532,113
Adjustments for impairment on receivables	12	7,612	9,582
Adjustments for inventory provisions	6	63,011	61,214
Adjustments for impairment on property, plant and equipment	13	7,744	3,004
Adjustments for provision for employee benefits	9	458,187	320,658
Adjustments for provision for litigation	12	54,420	25,596
Adjustments for other provisions		(207,081)	-
Adjustments for interest income	14	(560,963)	(158,978)
Adjustments for interest expense	15	715,731	577,459
Adjustments for deferred financing due to forward purchases expenses	12	1,010,761	880,164
Adjustments for unearned finance income from sales	12	(196,486)	(172,318)
Adjustments for unrealized foreign exchange losses related to bank borrowings	7	33,112	23,003
Adjustments for fair value losses arising from derivatives	14,15	13,862	2,821
Adjustments for income tax expense	16	447,283	156,114
Gains on sale of property plant and equipment	13	(288,126)	(3,733)
Changes in net working capital		4,176,588	438,691
Adjustments for increase in trade receivables		(139,593)	(110,416)
Adjustments for increase in inventories		(3,821,165)	(3,347,822)
Adjustments for increase in other receivables related with operations		(320,770)	(806,811)
Adjustments for increase in trade payables		6,660,303	4,726,384
Adjustments for increase in other payables related with operations		1,797,813	(22,644)
Cash flows from operating activities		8,727,412	3,298,197
Employee benefits paid	9	(1,082,905)	(55,319)
Interest received		195,949	310,090
Interest paid		(1,299,664)	(960,984)
Taxes paid		(31,229)	(78,385)
Other provisions paid	8	(253,728)	(404,016)
Net cash provided by operating activities		6,255,835	2,109,583

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

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

MİGROS TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2023	Reviewed 1 January - 30 June 2022
Investing activities			
Cash outflows from the purchase of tangible and intangible assets		(1,412,905)	(474,412)
Cash inflows from the sale of tangible and intangible assets		769,905	36,400
Obtaining control of subsidiaries			
cash outflows for purchases		-	(104,000)
Cash flows from investing activities		(643,000)	(542,012)
Financing activities			
Cash inflows from financial liabilities	7	910,000	708,000
Cash outflows from repayments of borrowings	7	(742,327)	(804,194)
Cash outflows from repayment of derivative instruments		(8,376)	(760)
Interest received	14	560,963	158,978
Interest paid		(213,703)	(300,710)
Dividends paid		(464,278)	-
Cash outflows from payments of lease liabilities		(845,721)	(527,273)
Cash flows from financing activities		(803,442)	(765,959)
Effect of foreign currency translation differences on cash and cash equivalents		(142,299)	57,111
Net increase in cash and cash equivalents		4,667,094	858,723
Cash and cash equivalents in the begining of the period		7,678,469	3,632,341
Cash and cash equivalents in the end of the period		12,345,563	4,491,064

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

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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 Şirketi ("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".

The company is controlled by AG Anadolu Grubu Holding A.Ş., its parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş., and AG Sınai Yatırım ve Yönetim A.Ş. is a management company that ultimately manages, with equal representation of and by way of equal management by the Süleyman Kamil Yazıcı family and the Özlhan family, the affiliates of AG Anadolu Grubu Holding A.Ş. and subsidiaries. AG Anadolu Grubu Holding A.Ş. holds a 50% indirect share.

The Group is mainly engaged in retail sales in food & beverages, consumer goods and wholesale. Other than that the Group is also engaged in online food retailing, takeout food, payment and e-money services, logistic (motorcycle courier) services, media (marketing of media assets) and shopping mall management.

As of 30 June 2023, the Group has a total sales area of 1,860,275 m2 (31 December 2022: 1,796,075 m2) with a retail store area of 1,845,826 m2 and a wholesale store area of 14,449 m2, 3,074 retail stores and 26 wholesale stores, operates in a total of 3,100 (31 December 2022: 2,908) stores. As of the end of the period as of 30 June 2023, the total number of employees of the Group is 51,025. (31 December 2022: 45,303). Retailing is the Group's core business, accounting for approximately 96% (31 December 2022: 96%) of gross sales.

The address of the registered office is as follows:

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

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors ("BOD") on 2 August 2023 and signed by Ö. Özgür Tort, General Manager, and Ferit Cem Doğan, Assistant General Manager, on behalf of the BoD. The owners of the Company and regulatory bodies have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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	30 June 2023 (%)	31 December 2022 (%)
Ramstore Kazakhstan LLC	Kazakhstan	Kazakhstan	Shopping center management	100,0	100,0
Mimeda Medya Platform A.Ş.	Turkey	Turkey	Media	100,0	100,0
Money pay 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	75,0	75,0
Dijital Platform Gıda Hizmetleri A.Ş.	Turkey	Turkey	Online food retailing	93,0	93,0
Migen Enerji ve Elektrikli Şarj Hizmetleri A.Ş. (*)	Turkey	Turkey	Electric vehicle charge unit	100,0	100,0

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

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

2.1 Basis of Presentation

2.1.1 Basis of preparation and presentation of financial statements

The companies of the Group operating in Turkey keep their accounting records and legal financial statements in accordance with the accounting and financial reporting standards (“CMB Financial Reporting Standards”) accepted by the Capital Markets Board (“CMB”), Turkish Commercial Code (“TTK”) and in Turkish Lira in accordance with the provisions of the Tax Legislation and the requirements of the Uniform Chart of Accounts published by the Ministry of Finance. The subsidiary operating abroad, on the other hand, prepares its accounting records and statutory financial statements in accordance with the laws and regulations of the country in which it operates.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (Continued)**

2.1 Basis of Presentation (Continued)

2.1.1 Basis of preparation and presentation of financial statements (Continued)

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and presented in Turkish Lira in accordance with the CMB financial reporting standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities, financial statements are prepared on historical cost basis.

The interim condensed consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board's Communiqué Series II, No. 14.1 "Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676. Pursuant to Article 5, the Turkish Financial Reporting Standards, which were put into effect by the Public Oversight, Accounting and Auditing Standards Authority, and their annexes and comments are taken as basis.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II- 14.1 (Communiqué), the Group has prepared condensed consolidated interim financial statements in accordance with TAS 34 "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué. In accordance with the TAS, the entities are allowed to prepare a complete set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

Furthermore in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge, mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statements disclosures (Note 8, 20).

Current Year Information

On January 20, 2022, the Public Oversight Accounting and Auditing Standards Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it is stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 - Financial Reporting in High Inflation Economies ("TAS 29"). As of the preparation date of these condensed consolidated financial statements, no new disclosure has been made by POA within the scope of TAS 29, and no inflation adjustment has been made in accordance with TAS 29 while preparing the condensed consolidated financial statements as of 30 June 2023.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (Continued)**

2.1 Basis of Presentation (Continued)

2.1.2 Changes in the accounting policies, estimates and errors

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when it is necessary and significant differences are disclosed.

In case of changes and errors in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively and the previous 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 both in the period when the change is made and prospectively if it is related to future periods.

To ensure consistency with the presentation of the consolidated financial statements of the interim period 1 January- 30 June 2023, in-store production expenses of TRY 8,152 reported in marketing expenses were classified under sales expenses in the consolidated income statement of the 01 January- 30 June 2022 period. Also, to ensure consistency with the presentation of the consolidated financial statements of the interim period 1 January- 30 June 2023, account interest income of TRY 139,810 reported under "Other Income From Operating Activities" was classified under "Financial Income" in the consolidated income statement of the 01 January- 30 June 2022 period.

2.1.3 Functional and reporting currency

Items included in the financial statements of each of the Group's entities 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 TRY, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) 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.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (Continued)**

2.2 New and Amended Turkish Financial Reporting Standards

a) *Standards, amendments, and interpretations applicable as of 30 June 2023:*

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendment to IAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

b) *Standards, amendments and interpretations that are issued but not effective as of 30 June 2023:*

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (Continued)**

2.2 New and Amended Turkish Financial Reporting Standards (Continued)

***b) Standards, amendments and interpretations that are issued but not effective as of 30 June 2023:
(Continued)***

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements; ;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;'** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

These changes are not expected to have a significant impact on the financial status and performance of the Group.

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipments period ended at 30 June 2023 is as follows;

	1 January 2023	Additions	Disposals	Impairment loss	Transfers	Currency translation differences	30 June 2023
Cost							
Lands	1,319,758	-	(462,080)	-	-	256	857,934
Buildings	1,765,598	7,394	-	-	1,590	114,925	1,889,507
Leasehold improvements	1,557,923	135,566	-	(13,380)	108,586	-	1,788,695
Machinery and equipments	2,872,830	256,822	(7,583)	-	215,691	8,977	3,346,737
Motor vehicles	178,545	74,463	(19,321)	-	-	-	233,687
Furniture and fixtures	1,329,665	123,418	(968)	-	121,968	2,045	1,576,128
Construction in progress	376,544	697,407	-	-	(447,835)	-	626,116
	9,400,863	1,295,070	(489,952)	(13,380)	-	126,203	10,318,804
Accumulated depreciation							
Buildings	(118,389)	(28,629)	-	-	-	(35,621)	(182,639)
Leasehold improvements	(645,688)	(90,352)	-	5,636	-	-	(730,404)
Machinery and equipments	(1,033,066)	(127,529)	10,902	-	-	(5,063)	(1,154,756)
Motor vehicles	(39,260)	(19,644)	7,887	-	-	-	(51,017)
Furniture and fixtures	(598,496)	(51,034)	743	-	-	(1,798)	(650,585)
	(2,434,899)	(317,188)	19,532	5,636	-	(42,482)	(2,769,401)
Net book value	6,965,964						7,549,403

(*) Impairment loss amounting to TRY 7,744 consists of leasehold improvements of the stores closed in 2023 (Note 13).

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments period ended at 30 June 2022 is as follows;

	1 January 2022	Additions (*)	Disposals	Impairment loss(**)	Transfers	Currency translation differences	30 June 2022
Cost							
Lands	764,754	-	(14,800)	-	-	88	750,042
Buildings	842,943	1,696	(22,280)	-	1,167	36,689	860,215
Leasehold improvements	1,159,929	39,178	-	(3,630)	33,818	-	1,229,295
Machinery and equipments	1,881,148	74,270	(5,017)	-	146,748	3,516	2,100,665
Motor vehicles	12,700	66,381	-	-	4,640	-	83,721
Furniture and fixtures	1,014,631	38,338	(7,067)	-	46,280	713	1,092,895
Construction in progress	168,340	311,926	-	-	(232,653)	-	247,613
	5,844,445	531,789	(49,164)	(3,630)	-	41,006	6,364,446
Accumulated depreciation							
Buildings	(76,131)	(13,135)	1,116	-	-	(7,883)	(96,033)
Leasehold improvements	(588,814)	(45,934)	-	626	-	-	(634,122)
Machinery and equipments	(867,253)	(83,887)	3,549	-	-	(2,108)	(949,699)
Motor vehicles	(5,171)	(23,188)	-	-	-	-	(28,359)
Furniture and fixture	(556,650)	(35,610)	4,220	-	-	(604)	(588,644)
	(2,094,019)	(201,754)	8,885	626	-	(10,595)	(2,296,857)
Net book value	3,750,426						4,067,589

(*) As of 30 June 2022, additions include costs amounting to TRY 82,804 accumulated depreciation amounting to TRY 27,605 and depreciation expense amounting to TRY 6,858 due to subsidiaries included in the consolidation as of 30 June 2022.

(**) Impairment loss amounting to TRY 3,004 consists of leasehold improvements of the stores closed in 2022 (Note 13).

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 4 - INTANGIBLE ASSETS

Movement of intangible assets period ended at 30 June 2023 is as follows;

	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	30 June 2023
Cost						
Trademark	2,787	-	-	-	-	2,787
Rent agreements	39,131	-	-	-	-	39,131
Rights	722,553	105,608	-	-	(8,173)	819,988
Other intangible assets	171,362	12,227	-	-	-	183,589
	935,833	117,835	-	-	(8,173)	1,045,495
Accumulated amortisation						
Rent agreements	(38,088)	(1,968)	-	-	-	(40,056)
Rights	(547,007)	(80,919)	-	-	8,298	(619,628)
Other intangible assets	(121,542)	(3,186)	-	-	-	(124,728)
	(706,637)	(86,073)	-	-	8,298	(784,412)
Net book value	229,196					261,083

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 4 - INTANGIBLE ASSETS (Continued)

Movement of intangible assets period ended at 30 June 2022 is as follows;

	1 January 2022	Additions(*)	Disposals	Transfers	Currency translation differences	30 June 2022
Cost						
Trademark	2,787	-	-	-	-	2,787
Rent agreements	39,131	-	-	-	-	39,131
Rights	568,068	27,783	-	-	1,578	597,429
Other intangible assets	170,167	441	-	-	-	170,608
	780,153	28,224	-	-	1,578	809,955
Accumulated amortisation						
Rent agreements	(37,132)	(478)	-	-	-	(37,610)
Rights	(413,673)	(32,852)	-	-	(1,401)	(447,926)
Other intangible assets	(120,329)	(615)	-	-	-	(120,944)
	(571,134)	(33,945)	-	-	(1,401)	(606,480)
Net book value	209,019					203,475

(*) As of 30 June 2022, additions include costs amounting to TRY 2,797 accumulated amortisation amounting to TRY 728 and amortisation expense TRY 555 due to subsidiaries included in the consolidation as of 30 June 2022.

Amortisation expenses related to intangible assets have been accounted under marketing expenses.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 5 - RIGHT OF USE ASSETS

For the periods ended on 30 June 2023 and 2022, movement on right of use assets is as follows:

	1 January 2023	Additions	30 June 2023
Cost			
Buildings	6,473,505	1,706,427	8,179,932
	6,473,505	1,706,427	8,179,932
Accumulated Amortisation			
Buildings	(2,186,368)	(507,656)	(2,694,024)
	(2,186,368)	(507,656)	(2,694,024)
Net book value	4,287,137		5,485,908
	1 January 2022	Additions (*)	30 June 2022
Cost			
Buildings	4,264,990	791,306	5,056,296
	4,264,990	791,306	5,056,296
Accumulated Amortisation			
Buildings	(1,479,524)	(319,949)	(1,799,473)
	(1,479,524)	(319,949)	(1,799,473)
Net book value	2,785,466		3,256,823

(*) As of 30 June 2022, cost amounting to TRY 10,056, accumulated depreciation amounting to TRY 3,347 and depreciation expense amounting to TRY 732, included in right-of-use asset additions as a result of companies included in the consolidation for the first time as of 30 June 2022.

Amortisation expenses related to right of use asset have been accounted under marketing expenses.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 6 - INVENTORIES

	30 June 2023	31 December 2022
Finished goods and commodities	14,592,345	10,869,197
Work in progress	233,310	151,804
Raw materials	97,524	79,645
Other	46,859	48,227
Less: Provision for net realizable value	(307,216)	(244,205)
	14,662,822	10,904,668

NOTE 7 - FINANCIAL LIABILITIES

		30 June 2023	
	Effective interest rate (%)	In original currency	Total TRY equivalent
Short term borrowings			
Fixed interest rate - TRY	27.63	652,176	652,176
Total short term borrowings			652,176
Current portion of long term borrowings			
Fixed interest rate - TRY	22.50	999,157	999,157
Kazakhstan loan - Tenge	13.97	1,079,596	61,939
Total current portion of long term borrowings			1,061,096
Total short term borrowings			1,713,272
Long term borrowings			
Fixed interest rate - TRY	23.06	1,105,286	1,105,286
Kazakhstan loan - Tenge	13.97	759,687	43,585
Total long term borrowings			1,148,871
Total financial liabilities			2,862,143

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of borrowings with effective interest rate at 30 June 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 July 2023 - 30 June 2024	61,939	1,651,333	1,713,272
1 July 2024 - 30 June 2025	38,673	701,084	739,757
1 July 2025 - 30 June 2026	4,912	268,547	273,459
1 July 2026 - 14 December 2026	-	135,655	135,655
	105,524	2,756,619	2,862,143

The fair value of borrowings at 30 June 2023 is TRY 2,765,834.

The redemption schedule of principal amounts of borrowings at 30 June 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 July 2023 - 30 June 2024	61,045	1,286,197	1,347,242
1 July 2024 - 30 June 2025	38,673	470,300	508,973
1 July 2025 - 30 June 2026	4,912	671,705	676,617
1 July 2026 - 14 December 2026	-	235,409	235,409
	104,630	2,663,611	2,768,241

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings at 30 June 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 July 2023 - 30 June 2024	72,592	1,689,776	1,762,368
1 July 2024 - 30 June 2025	42,146	784,287	826,433
1 July 2025 - 30 June 2026	5,088	814,721	819,809
1 July 2026 - 14 December 2026	-	281,309	281,309
	119,826	3,570,093	3,689,919

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 financial statements as of 30 June 2023 are in line with the provisions of the bank loan agreement.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The movement schedule of borrowings as of 30 June 2023 and 2022 is as follows;

	2023	2022
Beginning balance, as of January 1,	2,640,773	2,971,319
Proceeds of borrowings	910,000	708,000
Payments (-)	(742,327)	(804,194)
Foreign exchange losses	33,112	23,003
Interest accrual	20,585	(15,208)
Change due to subsidiary purchase	-	16,573
Closing balance, as of June 30,	2,862,143	2,899,493

	31 December 2022		
	Effective interest rate (%)	In original currency	Total TRY equivalent
Short term borrowings			
Fixed interest rate - TRY	14.86	109,363	109,363
Floating interest rate - TRY	18.14	299,272	299,272
Total short term borrowings			408,635
Current portion of long term borrowings			
Fixed interest rate - TRY	18.75	776,781	776,781
Kazakhstan loan - Tenge	13.97	1,201,621	48,609
Total current portion of long term borrowings			825,390
Total short term borrowings			1,234,025
Long term borrowings			
Fixed interest rate - TRY	18.18	1,355,675	1,355,675
Kazakhstan loan - Tenge	13.97	1,262,528	51,073
Total long term borrowings			1,406,748
Total financial liabilities			2,640,773

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of borrowings with effective interest rate at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	48,609	1,185,416	1,234,025
1 January 2024 - 31 December 2024	40,683	807,999	848,682
1 January 2025 - 31 December 2025	10,390	411,927	422,317
1 January 2026 - 14 December 2026	-	135,749	135,749
	99,682	2,541,091	2,640,773

The fair value of borrowings at 31 December 2022 is TRY 2,382,017.

The redemption schedule of principal amounts of bank borrowings at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	47,516	893,053	940,569
1 January 2024 - 31 December 2024	40,683	778,840	819,523
1 January 2025 - 31 December 2025	10,390	566,639	577,029
1 January 2026 - 14 December 2026	-	235,409	235,409
	98,589	2,473,941	2,572,530

The redemption schedule of contractual cash outflows, which consists of principal and interest of borrowings at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	59,005	1,282,583	1,341,588
1 January 2024 - 31 December 2024	45,803	1,058,614	1,104,417
1 January 2025 - 31 December 2025	11,129	645,024	656,153
1 January 2026 - 14 December 2026	-	281,309	281,309
	115,937	3,267,530	3,383,467

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions

	30 June 2023	31 December 2022
Provision for litigation	159,571	151,798
Provision for personnel expenses	102,917	309,998
Provision for customer loyalty programs	25,460	3,114
	287,948	464,910

There are various lawsuits filed against or in favour of the Group. Receivables, rent or labour disputes constitute the majority of these lawsuits. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted.

Movements in the provision for litigation during the period are as follows:

	2023	2022
Beginning balance, as of 1 January,	151,798	121,537
Increase during period	54,420	25,596
Payments (-)	(46,647)	(15,761)
Closing balance, as of 30 June,	159,571	131,372

Collaterals, Pledges, Mortgages

30 June 2023:

	Total TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	795,458	778,084	651	20
B. CPM given on behalf of fully consolidated subsidiaries	105,513	-	4,086	-
Total collaterals, pledges and mortgages	900,971	778,084	4,737	20
Proportion of the other CPM's to equity (%)	-			

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2022:

	Total TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	474,402	461,831	651	20
B. CPM given on behalf of fully consolidated subsidiaries	99,681	-	5,331	-
Total collaterals, pledges and mortgages	574,083	461,831	5,982	20
Proportion of the other CPM's to equity (%)	-			

Contingent assets and liabilities

Guarantees given at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Letter of guarantees given	900,971	574,083
	900,971	574,083

Guarantees received at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Guarantees obtained from customers	734,210	535,875
Mortgages obtained from customers	31,150	25,522
	765,360	561,397

NOTE 9 - EMPLOYEE BENEFITS OBLIGATION

Payables within the scope of employee benefits as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Social security premiums payables	720,444	327,101
Payables to employees	707,255	425,106
	1,427,699	752,207

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 9 - EMPLOYEE BENEFITS OBLIGATION (Continued)

Employee benefits are as of 30 June 2023 and 31 December 2022 as follows:

	30 June 2023	31 December 2022
Provision for unused vacation	661,938	572,201
Provision for employment termination benefits	564,835	1,279,290
	1,226,773	1,851,491

Movement of provision for unused vacation for the periods ended in 30 June 2023 and 2022 is as follows:

	2023	2022
Beginning balance, as of 1 January,	572,201	187,690
Increase during period	342,881	222,711
Payments (-)	(253,144)	(10,291)
Closing balance, as of 30 June,	661,938	400,110

Movement of provision for employee termination benefits for the periods ended in 30 June 2023 and 2022 is as follows:

	2023	2022
Beginning balance, as of January 1,	1,279,290	383,554
Increase during period	115,306	97,947
Payments (-)	(829,761)	(45,028)
Closing balance, as of June 30,	564,835	436,473

Provision for employment termination benefits

Under the Turkish Labour Law, the Company 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.

In the condensed interim consolidated financial statements as of 30 June 2023 and consolidated financial statements as of 31 December 2022, 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 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 TRY 23,489.83 effective from 1 July 2023 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 10 - REVENUE

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Domestic sales	61,186,099	33,437,714	28,727,502	16,239,698
Other sales	114,134	75,190	30,106	15,276
Gross sales	61,300,233	33,512,904	28,757,608	16,254,974
Discounts and returns (-)	(1,165,689)	(561,734)	(522,843)	(291,606)
Sales revenue, net	60,134,544	32,951,170	28,234,765	15,963,368
Cost of sales (-)	(46,081,312)	(25,447,548)	(21,060,550)	(11,921,745)
Gross profit	14,053,232	7,503,622	7,174,215	4,041,623

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

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Retail sales revenue	58,702,187	32,107,430	27,502,570	15,555,986
Wholesale revenue	2,169,923	1,159,764	1,057,042	588,302
Rent income	313,989	170,520	167,890	95,410
	61,186,099	33,437,714	28,727,502	16,239,698

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 11 – NATURE OF EXPENSES

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Personnel expenses	5,753,756	3,087,796	2,636,033	1,418,714
Rent and common area	1,519,725	831,352	689,356	390,677
Energy	944,550	374,588	524,862	286,797
Depreciation and amortisation	910,917	480,052	532,113	279,567
Advertising	379,629	247,978	157,877	85,544
Porterage and cleaning	371,882	198,267	177,531	94,286
Information technology maintenance	332,520	171,845	176,174	84,120
Repair and maintenance	145,029	90,732	76,781	43,261
Security	98,790	51,459	48,738	25,525
Communication	61,465	30,086	14,652	7,770
Taxes and other fees	57,515	37,041	22,694	12,258
Other	429,594	199,688	269,882	176,656
	11,005,372	5,800,884	5,326,693	2,905,175

Marketing expenses	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Personnel expenses	5,009,773	2,671,117	2,327,324	1,260,333
Rent and common area	1,501,567	822,126	680,139	384,977
Energy	938,439	372,136	522,475	285,628
Depreciation and amortisation	910,917	480,052	532,113	279,567
Advertising	379,060	247,893	157,817	85,484
Porterage and cleaning	362,327	193,636	172,869	91,797
Information technology maintenance	314,623	161,164	166,426	78,610
Repair and maintenance	141,986	88,726	75,258	42,254
Security	95,361	49,708	46,949	24,574
Communication	56,638	27,790	13,117	7,060
Taxes and other fees	51,459	34,038	21,151	11,531
Other	286,871	128,015	219,926	150,032
	10,049,021	5,276,401	4,935,564	2,701,847

General administrative expenses	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Personnel expenses	743,983	416,679	308,709	158,381
Other	212,368	107,804	82,420	44,947
	956,351	524,483	391,129	203,328

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 11 – NATURE OF EXPENSES (Continued)

Expenses by nature in cost of sales for the periods 1 January - 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Cost of goods sold	46,013,803	25,415,410	21,020,923	11,898,628
Cost of service rendered	67,509	32,138	39,627	23,117
	46,081,312	25,447,548	21,060,550	11,921,745

Cost of trade goods include discounts, incentives and volume rebates obtained from suppliers. Service costs comprise energy, advertising, cleaning, security and administrative expenses incurred in the Group's shopping malls.

NOTE 12 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Interest income on term sales	196,486	124,451	172,318	96,873
Other	44,617	19,560	42,101	15,159
	241,103	144,011	214,419	112,032

Other operating expenses	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Interest expense on term purchases(*)	1,010,761	597,317	880,164	451,951
Litigation provision	54,420	42,391	25,596	15,931
Bad debt provision expense	7,612	1,912	9,582	890
Other(**)	89,607	27,788	5,767	4,953
	1,162,400	669,408	921,109	473,725

(*) Term purchases are discounted to the present value with the relevant government securities interest rates for each month, and as a result, forward purchase interest expenses are calculated. Average interest rate in 2023 is (12.5%) ; 2022 (18.2%)

(**) The part of TRY 54,915 consists of damages and aids that cannot be compensated by the insurance caused by the earthquake.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 13 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investing activities	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Gain on sale of property, plant and equipment	288,126	283,973	4,632	4,632
Affiliate value gain	-	-	48,250	48,250
Currency protected deposit income	-	-	27,492	(12,014)
	288,126	283,973	80,374	40,868

Expense from investing activities	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Losses from leasehold improvements of closed stores (Note 3)	7,744	6,148	3,004	116
Losses on sale of property, plant and equipment	-	-	899	899
	7,744	6,148	3,903	1,015

NOTE 14 - FINANCIAL INCOME

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange gains	672,042	608,581	86,880	56,149
Interest income on bank deposits	560,963	314,312	158,978	79,976
Financial income on derivatives	-	-	2,017	925
	1,233,005	922,893	247,875	137,050

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 15 - FINANCIAL EXPENSES

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Interest expense on lease liabilities	473,140	245,975	288,206	151,310
Interest expense on bank borrowings	242,591	132,933	289,253	143,644
Credit card commision expenses	241,545	124,773	85,599	54,093
Interest expense on provision for employment termination benefits	59,743	29,871	-	-
Foreign exchange losses	31,117	18,751	31,244	17,083
Financial expense on derivatives	13,862	6,493	4,838	(3,838)
Other	49,829	37,255	7,117	4,932
	1,111,827	596,051	706,257	367,224

NOTE 16 - TAX ASSETS AND LIABILITIES

	30 June 2023	31 December 2022
Corporate and income taxes payable	267,834	279,518
Less: Prepaid current income taxes	(46,878)	(421,482)
Current tax liabilities/(assets)	220,956	(141,964)
	30 June 2023	31 December 2022
Deferred tax assets	1,264,041	1,339,348
Deferred tax liabilities	(297,640)	(176,781)
Deferred tax assets, net	966,401	1,162,567

General Information

The Group is taxed in the scope of the tax regulations and laws of the countries in which the Group operates. Tax legislation in Turkey does not allow a principal company and its subsidiaries to fill out a consolidated tax return. Therefore the tax provisions reflected on consolidated financial statements were calculated for separate companies.

The corporate income tax rate in Turkey is 20% (31 December 2022: 23%).

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

"Law No. 7456 on Amending the Application of Additional Motor Vehicle Tax, on Certain Laws and on Provision No. 375 to Compensate for the Economic Losses Arising From Earthquakes on 6 February 2023" was published in Official Gazette No. 32249 dated 15 July 2023. The corporate income tax rate is defined in article 21 of this law, as well as in this provision of the first paragraph of the 32nd article of Corporate Income Tax Law No. 5520: "Corporate tax is 20% of the corporate earnings. The corporate tax rate was increased to 25% for banks, companies in the scope of Law No. 6361, electronic payment and currency institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies."

The Group calculates its assets and liabilities related to deferred income by considering the temporary timing differences between taxable legal financial statements and financial statements prepared according to TFRS. As of 30 June 2023, the rate applied for the deferred tax assets and liabilities calculated according to the liability method for temporary differences occurring in future periods for both Turkey and Kazakhstan is 20% (2022: 23% and 20%, respectively).

Tax Advantages Obtained Within The Investment Incentive System

R&D Incentives

The Group capitalizes the R&D expenditures it has made within the scope of the law numbered 5746 in its legal books. According to the provisions of the same law, the Group makes calculations over the R&D expenditures made within the framework of the relevant legislation and uses R&D deduction exemption for the part of the expenditures permitted by the law.

As of 30 June 2023, the Group has used R&D deduction exemption amounting to TRY 27,483 (30 June 2022: TRY 8,269) for legal tax.

The details of taxation on income for the periods ended 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Current period income tax expense	(267,148)	(267,148)	(225,652)	(163,132)
Deferred tax expense/(income)	(180,135)	151	69,538	29,703
Current period tax expense	(447,283)	(266,997)	(156,114)	(133,429)

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 June 2023 and 31 December 2022 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Deferred tax assets:				
Property, plant and equipment and intangible assets	3,375,077	3,233,328	680,396	651,148
Short term provisions	788,750	999,651	157,639	199,819
Inventories	761,994	528,383	152,399	105,677
Right of use assets	749,625	615,094	149,925	123,019
Provision for employee termination benefits	564,835	1,279,290	112,967	255,858
Finance income not accrued from future sales	4,333	3,796	867	759
Other	48,469	15,111	9,848	3,068
	6,293,083	6,674,653	1,264,041	1,339,348
Deferred tax liabilities:				
Finance expense not accrued from future sales	(512,426)	(223,156)	(102,485)	(44,631)
Property, plant and equipment and intangible assets	(780,620)	(524,212)	(195,155)	(131,053)
Fair value change of derivative financial instruments	-	(5,486)	-	(1,097)
	(1,293,046)	(752,854)	(297,640)	(176,781)
Deferred tax assets, net			966,401	1,162,567

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

Movements of deferred tax assets and liabilities are as follows:

	2023	2022
Opening balance, as of January 1,	1,162,567	267,107
Deferred tax income from continuing operations	(180,135)	69,538
Recognized on other comprehensive income	(18,855)	(368)
Currency translation differences	2,824	(24)
Closing balance, as of June 30,	966,401	336,253

NOTE 17 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The shareholders of the Company and their shareholdings stated at historical amounts at 30 June 2023 and 31 December 2022 are stated below:

	30 June 2023		31 December 2022	
	TRY	Share (%)	TRY	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89.046	49,18	89.046	49,18
Migros Ticaret A.Ş.	2.962	1,64	2.962	1,64
Other	89.046	49,18	89.046	49,18
Total	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 TRY 48,998, corresponding to Kipa shares with a total nominal value of TRY 2,962 which were converted to Migros shares due to the merger were purchased by Migros with a total amount of TRY 125,435 within the scope of separation funds.

Dividend Distribution

Publicly traded companies make dividend distributions in accordance with the Capital Markets Board Communiqué on Dividends No. II-19.1 enacted on 01 February 2014.

Partnerships distribute profits with a decision from the general board, within the framework of profit distribution policies determined by the general assemblies and in accordance with related legislation provisions. As per the related Communiqué, a minimum distribution rate was not set. Companies pay dividends as specified in their articles of association or profit distribution policies. Also, dividends may be paid in equal or unequal instalments and dividend advances may be distributed in cash based on the profit in the interim financial statements.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 17 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

If legal reserves and dividends determined for shareholders in articles of association or dividend distribution policies are not allocated as per the TCC, no other legal reserve can be allocated or transferred until the following year, and no dividend is distributed to beneficial interest certificate holders, members of the board of directors, employees of the partnership or those other than shareholders. Also, no dividend is distributed to such parties unless the dividends determined for the shareholders are not paid in cash.

In the general board meeting of 11 April 2023, the general board decision was made to pay non-resident shareholders who earn dividends via a workplace in Turkey or a permanent establishment a TRY 2.6069536 gross=net cash dividend of 260.69536% for shares with a nominal worth of TRY 1.00, to pay other shareholders a TRY 2.6069536 gross cash dividend of 260.69536% for shares with a nominal worth of TRY 1.00, a TRY 2.3462582 net cash dividend of 234.62582% out of other resources planned to be allocated. It was decided that this total payment of TRY 472 million (TRY 464 million excluding repurchased shares) shall be made in on 1 June 2023.

NOTE 18 – RELATED PARTY DISCLOSURES

a) Balances with related parties

As of 30 June 2023 and 31 December 2022, due from and due to related parties are as follows:

Trade receivables from related parties

	30 June 2023	31 December 2022
AEH Sigorta Acenteliği A.Ş.	1,162	-
Anadolu Sağlık Merkezi İktisadi İşletmesi	996	-
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.	410	2,930
Anadolu Motor Üretim ve Pazarlama A.Ş.	65	155
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	23	245
Other	978	1,996
	3,634	5,326

Trade payables to related parties

	30 June 2023	31 December 2022
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	613,957	357,375
Coca Cola Satış ve Dağıtım A.Ş.	597,966	275,389
Adel Kalemcilik Ticaret ve San. A.Ş.	11,981	6,462
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	7,066	9,375
AEH Sigorta Acenteliği A.Ş.	-	63,501
Other	623	2,427
	1,231,593	714,529

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 18 – RELATED PARTY DISCLOSURES (Continued)

b) Transactions with related parties

Significant transactions regarding purchases and sales with related parties for the periods ending on 30 June 2023 and 2022 are as follows:

Inventory purchases

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Coca Cola Satış ve Dağıtım A.Ş.	1,018,117	618,039	444,747	281,930
Efes Paz. ve Dağıtım Ticaret A.Ş.	845,331	499,873	479,413	298,427
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	34,850	20,288	10,818	4,458
Adel Kalemcilik Ticaret ve San. A.Ş.	11,975	-	4,724	736
	1,910,273	1,138,200	939,702	585,551

Other transactions

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Rent expenses	(9,041)	(4,532)	(1,785)	(175)
Rent income	-	-	1,725	1,725
Other income	66	-	738	448
Other transactions, net	(8,975)	(4,532)	678	1,998

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 30 June 2023 and 30 June 2022 is as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Short term benefits	104,330	48,149	50,159	25,176
	104,330	48,149	50,159	25,176

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

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 19 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income for the period by the weighted average number of ordinary shares outstanding during the related period. The Company has no diluted instruments.

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Net profit attributable to shareholders	2,059,605	1,499,653	599,206	440,809
Weighted average number of shares with Kr1 face value each('000)	18,105,233	18,105,233	18,105,233	18,105,233
Earnings per share	11.38	8.28	3.31	2.43

There is no difference between basic and diluted earnings per share for any of the periods.

NOTE 20 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Exchange Rate Risk

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Afore mentioned foreign exchange risk is monitored and limited with derivative instruments. At 30 June 2023, if Euro and US Dollar had appreciated against TRY by 20% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro and US Dollar would have been high in the amount of TRY 465,646. (31 December 2022: TRY 127,717)

TRY 126,575 of the period profit effect is the effect of the change in Euro and TRY 339,071 is the effect of the change in USD. (31 December 2022: Effect of change in Euro TRY 8,987, effect of change in USD 116,730).

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 20 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

FOREIGN CURRENCY POSITION

	30 June 2023				31 December 2022			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Monetary financial assets	2,335,525	65,653	22,479	7,287	637,026	31,214	2,254	8,444
Other	232	9	-	-	168	9	-	-
Current assets	2,335,757	65,662	22,479	7,287	637,194	31,223	2,254	8,444
Total assets	2,335,757	65,662	22,479	7,287	637,194	31,223	2,254	8,444
Trade payables	-	-	-	-	7,182	12	349	-
Current liabilities	-	-	-	-	7,182	12	349	-
Non-monetary other liabilities	13,880	-	493	-	10,825	-	543	-
Non-current liabilities	13,880	-	493	-	10,825	-	543	-
Total liabilities	13,880	-	493	-	18,007	12	892	-

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

MİGROS TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 20 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

FOREIGN CURRENCY POSITION

	30 June 2023				31 December 2022			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Net asset/(liability) position of off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. 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	2,321,877	65,662	21,986	7,287	619,187	31,211	1,362	8,444
Net foreign currency asset/(liability) position of monetary items	2,335,525	65,653	22,479	7,287	629,844	31,202	1,905	8,444
Fair value hedge funds of foreign currency	-	-	-	-	351,133	-	17,614	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	223,835	8,668	-	-	399,153	21,347	-	-

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 20 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analysis as of 30 June 2023 and 31 December 2022 is as follows:

30 June 2023

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate		
Euro net asset/liability	126,575	(126,575)
20% change in US Dollar exchange rate		
US Dollar net asset/liability	339,073	(339,073)
Net effect	465,648	(465,648)

31 December 2022

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate		
Euro net asset/liability	6,204	(6,204)
20% change in US Dollar exchange rate		
US Dollar net asset/liability	116,640	(116,640)
Net effect	122,844	(122,844)

NOTE 21 - 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 indirectly (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).

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 22 - SUBSEQUENT EVENTS

New investment opportunities were evaluated to fortify the ready to eat/packaged food sale channels online and in brick and mortar stores and to meet staff food needs. As a result, it was decided to invest in CRC Danışmanlık ve Organizasyon Anonim Şirketi ("CRC"), which has capital of TRY 10,000,000 and manufactures and sells packaged foods, and to buy 200,000 shares corresponding to 50% of shares representing the paid-in capital of CRC for the corresponding TRY amount of USD 2,900,000. In this way, 100,000 shares corresponding to 25% of CRC's paid-in capital will be taken over by Migros Ticaret A.Ş., and 100,000 shares corresponding to 25% of shares will be taken over by Dijital Platform Gıda Hizmetleri A.Ş. ("Dijital Platform"), our company's subsidiary. The total share transfer amount may be amended on the closing date. The closing date will be defined following the fulfilment of prerequisites, and it will be no later than 15 November 2023.

With Law No. 7456 promulgated in Official Gazette No. 32249 dated 15 July 2023, the corporate income tax rate for financial organisations and insurance companies, including banks, was raised to 25% from 20%. The corporate income rates go into effect starting with the tax returns to be submitted as of 1 October 2023 and will be applied to earnings in tax periods as of 1 January 2023. As of the balance sheet date, this does not have any impact on financial statements. The Group continues to evaluate the consolidated financial statements of the relevant law on the date of effect of these financial statements.

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

APPENDIX 1 - EBITDA

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, unused vacation liability expense on gross profit amount in consolidated statements of income.

The EBITDA and EBITDAR tables for the periods ending between 1 January- 30 June 2023 are as follows;

	2023	2022	TFRS 16 Effect 2023	TFRS 16 Effect 2022	Before TFRS 16 2023	Before TFRS 16 2022
Revenue	60,134,544	28,234,765	-	-	60,134,544	28,234,765
Cost of goods sold (-)	(46,081,312)	(21,060,550)	119,037	81,683	(46,200,349)	(21,142,233)
Gross profit	14,053,232	7,174,215	119,037	81,683	13,934,195	7,092,532
General administrative expenses (-)	(956,351)	(391,129)	-	-	(956,351)	(391,129)
Marketing expenses (-)	(10,049,021)	(4,935,564)	219,028	125,641	(10,268,049)	(5,061,205)
Addition: Depreciation and amortisation expenses	910,917	532,113	507,656	319,949	403,261	212,164
EBITDA	3,958,777	2,379,635	845,721	527,273	3,113,056	1,852,362
Addition: Provision for employment termination benefit and unused vacation	222,653	265,339	-	-	222,653	265,339
EBITDA	4,181,430	2,644,974	845,721	527,273	3,335,709	2,117,701
Addition: Rent expense	-	-	-	-	2,183,344	1,098,569
EBITDAR	-	-	-	-	5,519,053	3,216,270

The EBITDA and EBITDAR tables for the periods ending between 1 April- 30 June 2023 are as follows;

	2023	2022	TFRS 16 Effect 2023	TFRS 16 Effect 2022	Before TFRS 16 2023	Before TFRS 16 2022
Revenue	32,951,170	15,963,368	-	-	32,951,170	15,963,368
Cost of goods sold (-)	(25,447,548)	(11,921,745)	58,667	41,345	(25,506,215)	(11,963,090)
Gross profit	7,503,622	4,041,623	58,667	41,345	7,444,955	4,000,278
General administrative expenses (-)	(524,483)	(203,328)	-	-	(524,483)	(203,328)
Marketing expenses (-)	(5,276,401)	(2,701,847)	118,690	66,087	(5,395,091)	(2,767,934)
Addition: Depreciation and amortisation expenses	480,052	279,567	267,806	165,431	212,246	114,136
EBITDA	2,182,790	1,416,015	445,163	272,863	1,737,627	1,143,152
Addition: Provision for employment termination benefit and unused vacation	182,346	153,919	-	-	182,346	153,919
EBITDA	2,365,136	1,569,934	445,163	272,863	1,919,973	1,297,071
Addition: Rent expense	-	-	-	-	1,184,736	600,583
EBITDAR	-	-	-	-	3,104,709	1,897,654

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**APPENDIX 2 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE
EFFECT OF TFRS 16**

The effect of TFRS 16 standart on Group's financial statements are presented below:

	30 June 2023	TFRS 16 Effect	Before TFRS 16
ASSETS			
Current assets			
Prepaid expenses	341,782	3,131	338,651
Total current assets	28,245,937	3,131	28,242,806
Non-current assets:			
Prepaid expenses	331,831	(23,756)	355,587
Right of use assets	5,485,908	5,485,908	-
Deferred tax assets	966,401	149,760	816,641
Total non-current assets	18,582,099	5,611,912	12,970,187
Total assets	46,828,036	5,615,043	41,212,993
LIABILITIES			
Current liabilities			
Lease liabilities	1,541,438	1,541,438	-
Total current liabilities	34,142,387	1,541,438	32,600,949
Non-current liabilities			
Lease liabilities	4,613,787	4,613,787	-
Total non-current liabilities	6,722,229	4,613,787	2,108,442
Total liabilities	40,864,616	6,155,225	34,709,391
EQUITY			
Attributable to equity holders of parent	5,839,964	(540,182)	6,380,146
Accumulated losses	2,246,806	(432,062)	2,678,868
Net profit for the period	2,059,605	(108,120)	2,167,725
Total equity	5,963,420	(540,182)	6,503,602
TOTAL LIABILITIES AND EQUITY	46,828,036	5,615,043	41,212,993

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

MİGROS TİCARET A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Currencies other than TRY are expressed in thousands unless otherwise indicated.)

**APPENDIX 2 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE
EFFECT OF TFRS 16 (Continued)**

	30 June 2023	TFRS 16 Effect	Before TFRS 16
PROFIT OR LOSS			
Revenue	60,134,544	-	60,134,544
Cost of sales (-)	(46,081,312)	119,037	(46,200,349)
Gross profit	14,053,232	119,037	13,934,195
General administrative expenses (-)	(956,351)	-	(956,351)
Marketing expenses (-)	(10,049,021)	219,028	(10,268,049)
Other operating income	241,103	-	241,103
Other operating expense (-)	(1,162,400)	-	(1,162,400)
Operating profit	2,126,563	338,065	1,788,498
Income from investing activities	288,126	-	288,126
Loss from investing activities	(7,744)	-	(7,744)
Operating income before finance income	2,406,945	338,065	2,068,880
Financial income	1,233,005	-	1,233,005
Financial expenses (-)	(1,111,827)	(473,140)	(638,687)
Net profit before tax from continuing operations	2,528,123	(135,075)	2,663,198
Tax expense from continuing operations	(447,283)	26,955	(474,238)
Income tax expense	(267,148)	-	(267,148)
Deferred tax expense	(180,135)	26,955	(207,090)
Net profit for the period	2,080,840	(108,120)	2,188,960

.....