

**MİGROS TİCARET A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD  
1 JANUARY - 31 MARCH 2023**

**(ORIGINALLY ISSUED IN TURKISH)**

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

**MİGROS TİCARET A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023**

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**CONSOLIDATED BALANCE SHEETS AS OF  
31 MARCH 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 | 31 March 2023     | 31 December 2022  |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>                           |       |                   |                   |
| <b>Current Assets:</b>                  |       |                   |                   |
| Cash and cash equivalents               |       | 8,138,950         | 7,678,469         |
| Financial investments                   |       | 28,056            | 388,086           |
| Trade receivables                       |       | 649,836           | 487,262           |
| -Trade receivables from related parties | 18    | 346               | 5,326             |
| -Trade receivables from third parties   |       | 649,490           | 481,936           |
| Other receivables                       |       | 246,677           | 62,041            |
| -Other receivables from third parties   |       | 246,677           | 62,041            |
| Derivative instruments                  |       | 1,097             | 2,454             |
| Inventories                             | 6     | 13,274,009        | 10,904,668        |
| Prepaid expenses                        |       | 479,745           | 443,527           |
| Current income tax assets               | 16    | 156,178           | 141,964           |
| Other current assets                    |       | 33,942            | 14,844            |
| <b>Total current assets</b>             |       | <b>23,008,490</b> | <b>20,123,315</b> |
| <b>Non-current assets:</b>              |       |                   |                   |
| Financial investments                   |       | 693,756           | 602,846           |
| Other receivables                       |       | 685,265           | 583,028           |
| -Other receivables from third parties   |       | 685,265           | 583,028           |
| Derivative instruments                  |       | 1,375             | 3,031             |
| Right of use assets                     | 5     | 4,961,816         | 4,287,137         |
| Property, plant and equipment           | 3     | 7,294,091         | 6,965,964         |
| Intangible assets                       |       | 2,543,751         | 2,570,374         |
| -Goodwill                               |       | 2,341,178         | 2,341,178         |
| -Other intangible assets                | 4     | 202,573           | 229,196           |
| Prepaid expenses                        |       | 171,986           | 125,606           |
| Deferred tax assets                     | 16    | 983,230           | 1,162,567         |
| <b>Total non-current assets</b>         |       | <b>17,335,270</b> | <b>16,300,553</b> |
| <b>Total assets</b>                     |       | <b>40,343,760</b> | <b>36,423,868</b> |

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

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

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|  | Notes | 31 March 2023     | 31 December 2022  |
|--|-------|-------------------|-------------------|
| <b>LIABILITIES</b>                           |       |                   |                   |
| <b>Current liabilities:</b>                  |       |                   |                   |
| Short-term borrowings                        |       | 460,204           | 408,635           |
| -Bank loans                                  | 7     | 460,204           | 408,635           |
| Short-term portion of long-term borrowings   |       | 2,413,008         | 2,034,406         |
| -Bank loans                                  | 7     | 1,005,556         | 825,390           |
| -Lease liabilities                           |       | 1,407,452         | 1,209,016         |
| Trade payables                               |       | 23,187,203        | 21,039,843        |
| -Trade payables to related parties           | 18    | 780,411           | 714,529           |
| -Trade payables to third parties             |       | 22,406,792        | 20,325,314        |
| Payables related to employee benefits        |       | 1,977,131         | 752,207           |
| Other payables                               |       | 216,209           | 357,960           |
| -Other payables to third parties             |       | 216,209           | 357,960           |
| Deferred income                              |       | 587,481           | 342,257           |
| Short-term provisions                        |       | 832,721           | 1,037,111         |
| -Short-term provisions for employee benefits | 9     | 426,653           | 572,201           |
| -Other short-term provisions                 | 8     | 406,068           | 464,910           |
| Other current liabilities                    |       | 25,032            | 37,858            |
| <b>Total current liabilities</b>             |       | <b>29,698,989</b> | <b>26,010,277</b> |
| <b>Non-current liabilities:</b>              |       |                   |                   |
| Long-term borrowings                         |       | 5,170,753         | 5,012,249         |
| -Bank loans                                  | 7     | 1,014,124         | 1,406,748         |
| -Lease liabilities                           |       | 4,156,629         | 3,605,501         |
| Other payables                               |       | 32,880            | 32,234            |
| -Other payables to third parties             |       | 32,880            | 32,234            |
| Deferred income                              |       | 51                | 67                |
| Long-term provisions                         |       | 699,154           | 1,279,290         |
| -Long-term provisions for employee benefits  | 9     | 699,154           | 1,279,290         |
| <b>Total non-current liabilities</b>         |       | <b>5,902,838</b>  | <b>6,323,840</b>  |
| <b>Total liabilities</b>                     |       | <b>35,601,827</b> | <b>32,334,117</b> |

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

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**MİGROS TİCARET A.Ş.**

**CONSOLIDATED BALANCE SHEETS AS OF  
31 MARCH 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 | 31 March 2023     | 31 December 2022  |
|---|-------|-------------------|-------------------|
| <b>EQUITY</b>   |       |                   |                   |
| <b>Attributable to equity holders of parent</b>           |       | <b>4,634,811</b>  | <b>4,045,688</b>  |
| Share capital   | 17    | 181,054           | 181,054           |
| Other capital reserves                                    |       | 526,476           | 526,476           |
| Treasury shares   | 17    | (125,435)         | (125,435)         |
| Additional contribution to share capital                  |       | 22,074            | 22,074            |
| Other comprehensive income/(expense)                      |       |                   |                   |
| not to be classified to profit or loss                    |       | 1,038,154         | 1,044,536         |
| <i>-Defined benefit plans</i>                             |       |                   |                   |
| <i>re-measurement (losses)</i>                            |       | (731,479)         | (731,479)         |
| <i>-Revaluation fund of property, plant and equipment</i> |       | 1,769,633         | 1,776,015         |
| Other accumulated comprehensive income/expense            |       |                   |                   |
| to be classified to profit or loss                        |       | 620,691           | 593,987           |
| <i>-Currency translation differences</i>                  |       | 215,507           | 200,828           |
| <i>-Gains/(losses) on financial assets measured</i>       |       |                   |                   |
| <i>at fair value through other comprehensive income</i>   |       | 405,184           | 393,159           |
| Accumulated losses  |       | 1,811,845         | (767,287)         |
| Net income for the period                                 |       | 559,952           | 2,570,283         |
| <b>Non-controlling interest</b>                           |       | <b>107,122</b>    | <b>44,063</b>     |
| <b>Total equity</b>                                       |       | <b>4,741,933</b>  | <b>4,089,751</b>  |
| <b>Total liabilities and equity</b>                       |       | <b>40,343,760</b> | <b>36,423,868</b> |

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**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE  
INTERIM PERIOD 1 JANUARY - 31 MARCH 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 | 1 January -<br>31 March 2023 | 1 January -<br>31 March 2022 |
|---|-------|------------------------------|------------------------------|
| Revenue   | 10    | 27,183,374                   | 12,271,397                   |
| Cost of sales (-)   | 10    | (20,633,764)                 | (9,137,030)                  |
| <b>Gross profit</b>   |       | <b>6,549,610</b>             | <b>3,134,367</b>             |
| General administrative expenses (-)                                     | 11    | (431,868)                    | (187,801)                    |
| Marketing expenses (-)  | 11    | (4,772,620)                  | (2,235,492)                  |
| Other operating income  | 12    | 97,092                       | 102,387                      |
| Other operating expenses (-)  | 12    | (492,992)                    | (447,384)                    |
| <b>Operating profit</b>   |       | <b>949,222</b>               | <b>366,077</b>               |
| Income from investment activities                                       | 13    | 4,153                        | 39,506                       |
| Expenses from investment activities (-)                                 | 13    | (1,596)                      | (2,888)                      |
| Share of profit of investments<br>accounted for using the equity method |       | -                            | 6,785                        |
| <b>Operating income before financial expense</b>                        |       | <b>951,779</b>               | <b>409,480</b>               |
| Financial income  | 14    | 310,112                      | 110,825                      |
| Financial expense (-)   | 15    | (515,776)                    | (339,033)                    |
| <b>Net profit before tax from continuing operation</b>                  |       | <b>746,115</b>               | <b>181,272</b>               |
| <b>Tax expense from continuing operations</b>                           |       | <b>(180,286)</b>             | <b>(22,685)</b>              |
| Income tax expense (-)  | 16    | -                            | (62,520)                     |
| Deferred tax loss/ (income)   | 16    | (180,286)                    | 39,835                       |
| <b>Net income for the period</b>  |       | <b>565,829</b>               | <b>158,587</b>               |
| <b>Net income attributable to:</b>                                      |       |                              |                              |
| - Non-controlling interest  |       | 5,877                        | 190                          |
| - Equity holders of parent  | 19    | 559,952                      | 158,397                      |
| <b>Profit per share (TRY)</b>   | 19    | <b>3.09</b>                  | <b>0.87</b>                  |

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**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD ENDED 1 JANUARY - 31 MARCH 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.)

|   | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---|--------------------------------------|--------------------------------------|
| <b>Net profit for the period</b>  | <b>565,829</b>                       | <b>158,587</b>                       |
| <b>Items that not to be reclassified to profit or loss</b>  |                                      |                                      |
| Tangible fixed asset revaluation increases  | 3,084                                | 564                                  |
| <b>Tax effect of items not to be reclassified<br/>to profit or loss</b>   |                                      |                                      |
| Tangible fixed asset revaluation increases, tax effect  | (617)                                | (113)                                |
| <b>Items to be reclassified to profit or loss</b>   |                                      |                                      |
| - Other comprehensive income on financial assets<br>..at fair value through other comprehensive income            | 16,033                               | -                                    |
| -Currency translation differences   | 14,679                               | 5,359                                |
| <b>Tax effect of items to be reclassified<br/>..to profit or loss</b>   |                                      |                                      |
| - Tax effect other comprehensive income on financial assets<br>..at fair value through other comprehensive income | (4,008)                              | -                                    |
| <b>Other comprehensive income, after tax</b>  | <b>29,171</b>                        | <b>5,810</b>                         |
| <b>Total comprehensive income</b>   | <b>595,000</b>                       | <b>164,397</b>                       |
| <b>Allocation of total comprehensive income</b>   |                                      |                                      |
| -Non-controlling interests  | 5,877                                | 190                                  |
| -Equity holders of parent   | 589,123                              | 164,207                              |

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED  
1 JANUARY - 31 MARCH 2023 AND 2022**

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

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|   | Share capital | Other capital reserve | Treasury shares | Additional contribution to share capital | Other comprehensive income and expenses not to be reclassified to profit or loss |  | Other comprehensive income and expenses to be reclassified to profit or loss |  | Restricted reserves | Retained earnings  |                            |   | Non controlling interests | Total equity |
|---|---------------|-----------------------|-----------------|--|--|--|--|--|---------------------|--------------------|----------------------------|---|---------------------------|--------------|
|   |               |                       |                 |  | Defined benefit plans revaluation and measurement (losses)/ gains                | Increase of revaluation fund of property plant and equipment | Gains on financial assets at fair value through other comprehensive income   | Foreign currency translation differences |                     | Accumulated losses | Net profit/ for the period | Attributable to equity holders of the parents |                           |              |
| Balances as of 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               | -               | -  | -  | (2,656)  | -  | -  | -                   | 85,278             | (358,881)                  | -   | -                         | -            |
| Transaction with non-controlling shareholders     | -             | -                     | -               | -  | -  | -  | -  | -  | -                   | -                  | -                          | -   | 23,835                    | 23,835       |
| Other adjustments                                 | -             | -                     | -               | -  | -  | -  | -  | -  | -                   | 12,200             | -                          | 12,200  | -                         | 12,200       |
| Total comprehensive income                        | -             | -                     | -               | -  | -  | 451  | -  | 5,359                                    | -                   | -                  | 158,397                    | 164,207                                       | 190                       | 164,397      |
| Net income for the period                         | -             | -                     | -               | -  | -  | -  | -  | -  | -                   | -                  | 158,397                    | 158,397                                       | 190                       | 158,587      |
| Foreign currency translation differences          | -             | -                     | -               | -  | -  | -  | -  | 5,359                                    | -                   | -                  | -                          | 5,359   | -                         | 5,359        |
| Revaluation fund of property, plant and equipment | -             | -                     | -               | -  | -  | 451  | -  | -  | -                   | -                  | -                          | 451   | -                         | 451          |
| Balances as of 31 March 2022                      | 181,054       | 526,476               | (125,435)       | 22,074                                   | 1,118  | 711,803  | -  | 54,349                                   | -                   | (817,365)          | 158,397                    | 712,471                                       | 24,025                    | 736,496      |
| Balances as of 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   | -             | -                     | -               | -  | -  | (8,849)  | -  | -  | -                   | 2,579,132          | (2,570,283)                | -   | -                         | -            |
| Transaction with non-controlling shareholders     | -             | -                     | -               | -  | -  | -  | -  | -  | -                   | -                  | -                          | -   | 57,182                    | 57,182       |
| Total comprehensive income                        | -             | -                     | -               | -  | -  | 2,467  | 12,025   | 14,679                                   | -                   | -                  | 559,952                    | 589,123                                       | 5,877                     | 595,000      |
| Net income for the period                         | -             | -                     | -               | -  | -  | -  | -  | -  | -                   | -                  | 559,952                    | 559,952                                       | 5,877                     | 565,829      |
| Foreign currency translation differences          | -             | -                     | -               | -  | -  | -  | -  | 14,679                                   | -                   | -                  | -                          | 14,679  | -                         | 14,679       |
| Gain on revaluation and measurement               | -             | -                     | -               | -  | -  | -  | 12,025   | -  | -                   | -                  | -                          | 12,025  | -                         | 12,025       |
| Revaluation fund of property, plant and equipment | -             | -                     | -               | -  | -  | 2,467  | -  | -  | -                   | -                  | -                          | 2,467   | -                         | 2,467        |
| Balances as of 31 March 2023                      | 181,054       | 526,476               | (125,435)       | 22,074                                   | (731,479)  | 1,769,633  | 405,184  | 215,507                                  | -                   | 1,811,845          | 559,952                    | 4,634,811                                     | 107,122                   | 4,741,933    |

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**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE INTERIM PERIOD ENDED 1 JANUARY - 31 MARCH 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 | 1 January -<br>31 March 2023 | 1 January -<br>31 March 2022 |
|---|-------|------------------------------|------------------------------|
| <b>Cash flows from operating activities:</b>                                  |       |                              |                              |
| <b>Net profit for the period</b>  |       | <b>565,829</b>               | <b>158,587</b>               |
| <b>Adjustments related to reconciliation of<br/>net profit for the period</b> |       | <b>1,151,398</b>             | <b>1,025,254</b>             |
| Adjustments for depreciation and amortisation expenses                        | 11    | 430,865                      | 252,546                      |
| Adjustments for impairment on receivables                                     |       | 5,700                        | 8,692                        |
| Adjustments for inventory provisions  | 6     | 27,371                       | 15,462                       |
| Adjustments for impairment on property, plant and equipment                   | 3,13  | 1,596                        | 2,888                        |
| Adjustments for provision for employee benefits                               | 9     | 112,663                      | 141,385                      |
| Adjustments for provisions  | 8     | (47,266)                     | 9,665                        |
| Adjustments for interest income   | 14    | (246,651)                    | (79,003)                     |
| Adjustments for interest expense  | 15    | 336,823                      | 282,506                      |
| Adjustments for deferred financing<br>due to forward purchases expenses       | 12    | 413,444                      | 428,213                      |
| Adjustments for unearned finance income<br>from sales                         | 12    | (72,035)                     | (75,445)                     |
| Adjustments for unrealized foreign exchange differences                       | 7     | 5,386                        | 8,075                        |
| Adjustments for fair value losses (gains)<br>arising from derivatives         | 15    | 7,369                        | 7,585                        |
| Adjustments for income tax expense  | 16    | 180,286                      | 22,685                       |
| Gains on sale of<br>property plant and equipment                              | 13    | (4,153)                      | -                            |
| <b>Changes in net working capital</b>   |       | <b>130,269</b>               | <b>(60,616)</b>              |
| Adjustments for increase in trade receivables                                 |       | (169,736)                    | (75,062)                     |
| Adjustments for increase in inventories                                       |       | (2,396,712)                  | (1,444,395)                  |
| Adjustments for increase in other receivables<br>related with operations      |       | 137,909                      | (411,679)                    |
| Adjustments for increase in trade payables                                    |       | 2,209,167                    | 1,857,775                    |
| Adjustments for increase in other payables<br>related with operations         |       | 349,641                      | 12,745                       |
| <b>Cash flows from operating activities</b>                                   |       | <b>1,847,496</b>             | <b>1,123,225</b>             |
| Employee benefits paid  |       | (42,484)                     | (29,965)                     |
| Interest received   |       | 73,497                       | 73,176                       |
| Interest paid   |       | (475,251)                    | (423,947)                    |
| Taxes paid  | 16    | (14,214)                     | (31,592)                     |
| Other provisions paid   | 8     | (73,378)                     | (397,444)                    |
| <b>Net cash provided by operating activities</b>                              |       | <b>1,315,666</b>             | <b>313,453</b>               |

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FOR THE INTERIM PERIOD ENDED 1 JANUARY - 31 MARCH 2023 AND 2022**

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

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|  | Notes | 1 January -<br>31 March 2023 | 1 January -<br>31 March 2022 |
|--|-------|------------------------------|------------------------------|
| <b>Investing activities</b>  |       |                              |                              |
| Cash outflows from the purchase of tangible and intangible assets                      | 3,4   | (485,132)                    | (164,128)                    |
| Cash inflows from the sale of tangible and intangible assets                           |       | 9,676                        | -                            |
| <b>Cash flows from investing activities</b>  |       | <b>(475,456)</b>             | <b>(164,128)</b>             |
| <b>Financing activities</b>  |       |                              |                              |
| Proceeds from borrowings   | 7     | 160,000                      | 708,000                      |
| Cash outflows from repayments of borrowings  | 7     | (337,138)                    | (154,725)                    |
| Cash outflows from repayment of derivative instruments                                 |       | (4,354)                      | (594)                        |
| Interest received  | 14    | 246,651                      | 79,003                       |
| Interest paid  |       | (95,542)                     | (121,846)                    |
| Cash outflows from payments of lease liabilities                                       |       | (400,558)                    | (254,409)                    |
| <b>Cash flows from financing activities</b>  |       | <b>(430,941)</b>             | <b>255,429</b>               |
| <b>Effect of foreign currency translation differences on cash and cash equivalents</b> |       | <b>51,212</b>                | <b>32,858</b>                |
| Net increase in cash and cash equivalents  |       | 460,481                      | 437,612                      |
| <b>Cash and cash equivalents in the beginning of the period</b>                        |       | <b>7,678,469</b>             | <b>3,632,341</b>             |
| <b>Cash and cash equivalents in the end of the period</b>                              |       | <b>8,138,950</b>             | <b>4,069,953</b>             |

The accompanying notes form an integral part of these 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 - 31 MARCH 2023**

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

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

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**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 Özilhan family, the affiliates of AG Anadolu Grubu Holding A.Ş. 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, and shopping mall management.

As of 31 March 2023, the Group has a total sales area of 1,817,750 m2 (31 December 2022: 1,796,075 m2) with a retail store area of 1,803,071 m2 and a wholesale store area of 14,679 m2, 2,955 retail stores and 26 wholesale stores, operates in a total of 2,981 (31 December 2022: 2,908) stores. As of the end of the period as of 31 December 2023, the total number of employees of the Group is 47,434. (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 3 May 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.

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**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:

| <b>Subsidiaries</b>                                    | <b>Country of<br/>incorporation</b> | <b>Geographical<br/>segment</b> | <b>Nature of<br/>business</b>                 | <b>31 March<br/>2023 (%)</b> | <b>31 December<br/>2022 (%)</b> |
|--|-------------------------------------|---------------------------------|---|------------------------------|---------------------------------|
| Ramstore Kazakhstan LLC<br>("Ramstore Kazakhstan").    | Kazakhstan                          | Kazakhstan                      | Shopping<br>center<br>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<br>by e-money<br>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<br>food retailing                      | 93.0                         | 93.0                            |
| Migen Enerji ve Elektrikli<br>Şarj Hizmetleri A.Ş. (*) | Türkiye                             | Türkiye                         | Elektrikli araç<br>şarj hizmeti               | 100,0                        | 100,0                           |

(\*) The company is not included in the scope of consolidation since it is not active as of 31 March 2023.

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

**2.1 Basis of Presentation**

**2.1.1 Basis of preparation and presentation of financial statements**

The interim condensed consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013 and interim condensed consolidated financial statements are prepared in accordance with the Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”) according to Article 5 of the Communiqué. TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations. The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year’s consolidated financial statements.

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

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

**2.1 Basis of Presentation (Continued)**

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

The 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.

In accordance with the CMB’s “Communiqué on Financial Reporting in Capital Market” Numbered II, 14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated 13 June 2013, effective from interim periods beginning after 30 June 2013, listed companies required to prepare their financial statements in conformity with Turkey Accounting / Financial Reporting Standards (TAS / TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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 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 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 consolidated financial statements as of 31 March 2023.

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

**2.2 Basis of Presentation (Continued)**

**2.1.2 Comparative information and restatement of prior period financial statements**

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 deemed necessary and significant differences are disclosed.

As of 1 January 2022, the Group has reviewed the estimated retirement age and probability of leaving without receiving severance pay, and reflected its effects on the financial statements. The effect of the changes made on the 31 March 2022 financial statements was a decrease of TRY 95,235 in severance pay, TRY 9,523 in general administrative expenses, TRY 85,712 in marketing expenses and TRY 19,047 in deferred tax income.

As of 31 March 2023, the Group has reclassified the interest income amounting to TRY 70,665, which was shown in “Other operating income” in the previous period, to “Finance income” for this period.

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 Comparative information and restatement of prior period financial statements  
(Continued)**

In case of changes and errors in accounting policies and accounting estimates, significant changes made, and significant accounting errors identified are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period when the change is made if they are related to only one period, and if they are related to future periods, they are applied both in the period when the change is made and prospectively.

**2.1.3 Changes in the accounting policies, estimates and errors**

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

**2.1.4 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.

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

**2.2 New and Amended Turkish Financial Reporting Standards**

**a) *Standards, amendments, and interpretations applicable as of 31 March 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.

**b) *Standards, amendments, and interpretations that are issued but not effective as of 31 March 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.

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



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**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT**

Movement of property, plant and equipments period ended on 31 March 2023 is as follows;

|                                 | <b>1 January<br/>2023</b> | <b>Additions</b> | <b>Disposals</b> | <b>Impairment<br/>loss(*)</b> | <b>Transfers</b> | <b>Currency<br/>translation<br/>differences</b> | <b>31 March<br/>2023</b> |
|---------------------------------|---------------------------|------------------|------------------|-------------------------------|------------------|---|--------------------------|
| <b>Cost</b>                     |                           |                  |                  |                               |                  |   |                          |
| Lands                           | 1,319,758                 | -                | -                | -                             | -                | 35  | 1,319,793                |
| Buildings                       | 1,765,598                 | 126              | -                | -                             | 1,387            | 15,749  | 1,782,860                |
| Leasehold improvements          | 1,557,923                 | 21,286           | -                | (4,570)                       | 33,460           | -   | 1,608,099                |
| Machinery and equipments        | 2,872,830                 | 11,294           | (1,007)          | -                             | 100,389          | 1,229   | 2,984,735                |
| Motor vehicles                  | 178,545                   | 34,696           | (4,469)          | -                             | -                | -   | 208,772                  |
| Furniture and fixtures          | 1,329,665                 | 22,381           | (47)             | -                             | 50,673           | 280   | 1,402,952                |
| Construction in progress        | 376,544                   | 383,326          | -                | -                             | (185,909)        | -   | 573,961                  |
|                                 | <b>9,400,863</b>          | <b>473,109</b>   | <b>(5,523)</b>   | <b>(4,570)</b>                | <b>-</b>         | <b>17,293</b>                                   | <b>9,881,172</b>         |
| <b>Accumulated depreciation</b> |                           |                  |                  |                               |                  |   |                          |
| Buildings                       | (118,389)                 | (14,315)         | -                | -                             | -                | (4,740)   | (137,444)                |
| Leasehold improvements          | (645,688)                 | (42,913)         | -                | 2,974                         | -                | -   | (685,627)                |
| Machinery and equipments        | (1,033,066)               | (60,984)         | 774              | -                             | -                | (788)   | (1,094,064)              |
| Motor vehicles                  | (39,260)                  | (10,203)         | 2,158            | -                             | -                | -   | (47,305)                 |
| Furniture and fixture           | (598,496)                 | (23,933)         | 38               | -                             | -                | (250)   | (622,641)                |
|                                 | <b>(2,434,899)</b>        | <b>(152,348)</b> | <b>2,970</b>     | <b>2,974</b>                  | <b>-</b>         | <b>(5,778)</b>                                  | <b>(2,587,081)</b>       |
| <b>Net book value</b>           | <b>6,965,964</b>          |                  |                  |                               |                  |   | <b>7,294,091</b>         |

(\*) Impairment loss amounting to TRY 1,596 consists of leasehold improvements of the stores closed in 2023 (Note 13).

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**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Movement of property, plant and equipments period ended on 31 March 2022 is as follows;

|                                 | <b>1 January<br/>2022</b> | <b>Additions</b> | <b>Impairment<br/>loss (*)</b> | <b>Currency<br/>translation<br/>differences</b> | <b>31 March<br/>2022</b> |
|---------------------------------|---------------------------|------------------|--------------------------------|---|--------------------------|
| <b>Cost</b>                     |                           |                  |                                |   |                          |
| Lands                           | 764,754                   | -                | -                              | 29  | 764,783                  |
| Buildings                       | 842,943                   | 1,237            | -                              | 13,197  | 857,377                  |
| Leasehold improvements          | 1,159,929                 | 18,732           | (2,910)                        | -   | 1,175,751                |
| Machinery and equipments        | 1,881,148                 | 60,736           | -                              | 1,169   | 1,943,053                |
| Motor vehicles                  | 12,700                    | 4,640            | -                              | -   | 17,340                   |
| Furniture and fixtures          | 1,014,631                 | 22,638           | -                              | 236   | 1,037,505                |
| Construction in progress        | 168,340                   | 62,115           | -                              | -   | 230,455                  |
|                                 | <b>5,844,445</b>          | <b>170,098</b>   | <b>(2,910)</b>                 | <b>14,631</b>                                   | <b>6,026,264</b>         |
| <b>Accumulated depreciation</b> |                           |                  |                                |   |                          |
| Buildings                       | (76,131)                  | (6,568)          | -                              | (3,595)   | (86,294)                 |
| Leasehold improvements          | (588,814)                 | (20,980)         | 22                             | -   | (609,772)                |
| Machinery and equipments        | (867,253)                 | (42,029)         | -                              | (695)   | (909,977)                |
| Motor vehicles                  | (5,171)                   | (750)            | -                              | -   | (5,921)                  |
| Furniture and fixture           | (556,650)                 | (17,553)         | -                              | (201)   | (574,404)                |
|                                 | <b>(2,094,019)</b>        | <b>(87,880)</b>  | <b>22</b>                      | <b>(4,491)</b>                                  | <b>(2,186,368)</b>       |
| <b>Net book value</b>           | <b>3,750,426</b>          |                  |                                |   | <b>3,839,896</b>         |

(\*) TRY 8,654 in costs, TRY 4,003 of accumulated depreciation and TRY 387 of depreciation expenses, all of which were included in tangible fixed asset additions as of 31 March 2022, resulted from the impact of companies included in the consolidation for the first time as of 31 March 2022.

(\*\*) Impairment loss amounting to TRY 2,888 consists of leasehold improvements of the stores closed in 2022 (Note:13).

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**NOTE 4 - INTANGIBLE ASSETS**

Movement of intangible assets period ended on 31 March 2023 is as follows;

|                                 | <b>1 January<br/>2023</b> | <b>Additions (*)</b> | <b>Currency<br/>translation<br/>differences</b> | <b>31 March<br/>2023</b> |
|---------------------------------|---------------------------|----------------------|---|--------------------------|
| <b>Cost</b>                     |                           |                      |   |                          |
| Trademark                       | 2,787                     | -                    | -   | 2,787                    |
| Rent agreements                 | 39,131                    | -                    | -   | 39,131                   |
| Rights                          | 722,553                   | 4,734                | 626   | 727,913                  |
| Other intangible assets         | 171,362                   | 7,289                | -   | 178,651                  |
|                                 | <b>935,833</b>            | <b>12,023</b>        | <b>626</b>                                      | <b>948,482</b>           |
| <b>Accumulated amortisation</b> |                           |                      |   |                          |
| Rent agreements                 | (38,088)                  | (592)                | -   | (38,680)                 |
| Rights                          | (547,007)                 | (35,689)             | (606)   | (583,302)                |
| Other intangible assets         | (121,542)                 | (2,385)              | -   | (123,927)                |
|                                 | <b>(706,637)</b>          | <b>(38,666)</b>      | <b>(606)</b>                                    | <b>(745,909)</b>         |
| <b>Net book value</b>           | <b>229,196</b>            |                      |   | <b>202,573</b>           |

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**NOTE 4 - INTANGIBLE ASSETS (Continued)**

Movement of intangible assets period ended on 31 March 2022 is as follows;

|                                 | <b>1 January<br/>2022</b> | <b>Additions</b> | <b>Currency<br/>translation<br/>differences</b> | <b>31 March<br/>2022</b> |
|---------------------------------|---------------------------|------------------|---|--------------------------|
| <b>Cost</b>                     |                           |                  |   |                          |
| Trademark                       | 2,787                     | -                | -   | 2,787                    |
| Rent agreements                 | 39,131                    | -                | -   | 39,131                   |
| Rights                          | 568,068                   | 4,472            | 526   | 573,066                  |
| Other intangible assets         | 170,167                   | 412              | -   | 170,579                  |
|                                 | <b>780,153</b>            | <b>4,884</b>     | <b>526</b>                                      | <b>785,563</b>           |
| <b>Accumulated amortisation</b> |                           |                  |   |                          |
| Rent agreements                 | (37,132)                  | (239)            | -   | (37,371)                 |
| Rights                          | (413,673)                 | (17,766)         | (463)   | (431,902)                |
| Other intangible assets         | (120,329)                 | (249)            | -   | (120,578)                |
|                                 | <b>(571,134)</b>          | <b>(18,254)</b>  | <b>(463)</b>                                    | <b>(589,851)</b>         |
| <b>Net book value</b>           | <b>209,019</b>            |                  |   | <b>195,712</b>           |

(\*) As of 31 March 2023, additions include costs amounting to TRY 2,200, accumulated amortisation amounting to TRY 757 and amortisation expense TRY 159 due to subsidiaries included in the consolidation as of 31 March 2023.

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

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**NOTE 5 - RIGHT OF USE ASSETS**

For 31 March 2023 and 2022, movement on right of use assets is as follows:

| <b>Cost</b> | <b>1 January 2023</b> | <b>Additions</b> | <b>31 March 2023</b> |
|-------------|-----------------------|------------------|----------------------|
| Buildings   | 6,473,505             | 914,530          | 7,388,035            |
|             | <b>6,473,505</b>      | <b>914,530</b>   | <b>7,388,035</b>     |

**Accumulated amortisation**

|           |                    |                  |                    |
|-----------|--------------------|------------------|--------------------|
| Buildings | (2,186,368)        | (239,851)        | (2,426,219)        |
|           | <b>(2,186,368)</b> | <b>(239,851)</b> | <b>(2,426,219)</b> |

|                       |                  |  |                  |
|-----------------------|------------------|--|------------------|
| <b>Net book value</b> | <b>4,287,137</b> |  | <b>4,961,816</b> |
|-----------------------|------------------|--|------------------|

| <b>Cost</b> | <b>1 January 2022</b> | <b>Additions</b> | <b>31 March 2022</b> |
|-------------|-----------------------|------------------|----------------------|
| Buildings   | 4,264,990             | 249,458          | 4,514,448            |
|             | <b>4,264,990</b>      | <b>249,458</b>   | <b>4,514,448</b>     |

**Accumulated amortisation**

|           |                    |                  |                    |
|-----------|--------------------|------------------|--------------------|
| Buildings | (1,479,524)        | (151,172)        | (1,630,696)        |
|           | <b>(1,479,524)</b> | <b>(151,172)</b> | <b>(1,630,696)</b> |

|                       |                  |  |                  |
|-----------------------|------------------|--|------------------|
| <b>Net book value</b> | <b>2,785,466</b> |  | <b>2,883,752</b> |
|-----------------------|------------------|--|------------------|

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

**NOTE 6 - INVENTORIES**

|  | <b>31 March 2023</b> | <b>31 December 2022</b> |
|--|----------------------|-------------------------|
| Finished goods and commodities           | 13,197,431           | 10,869,197              |
| Work in progress                         | 215,127              | 151,804                 |
| Raw materials                            | 84,261               | 79,645                  |
| Other                                    | 48,766               | 48,227                  |
| Less: Provision for net realizable value | (271,576)            | (244,205)               |
|  | <b>13,274,009</b>    | <b>10,904,668</b>       |

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**NOTE 7 - BORROWINGS**

|  | <b>31 March 2023</b>                   |                                 |                                 |
|--|--|---------------------------------|---------------------------------|
|  | <b>Effective<br/>interest rate (%)</b> | <b>In original<br/>currency</b> | <b>Total TRY<br/>equivalent</b> |
| <b>Short-term borrowings</b>                             |  |                                 |                                 |
| Fixed interest rate - TRY                                | 12.31                                  | 163,240                         | 163,240                         |
| Floating interest rate - TRY                             | 17.55                                  | 296,964                         | 296,964                         |
| <b>Total short-term borrowings</b>                       |  |                                 | <b>460,204</b>                  |
| <b>Current portion of<br/>long-term borrowings</b>       |  |                                 |                                 |
| Fixed interest rate - TRY                                | 19.40                                  | 952,776                         | 952,776                         |
| Kazakhstan loan - Tenge                                  | 13.97                                  | 1,233,987                       | 52,780                          |
| <b>Total current portion of<br/>long-term borrowings</b> |  |                                 | <b>1,005,556</b>                |
| <b>Total short-term borrowings</b>                       |  |                                 | <b>1,465,760</b>                |
| <b>Long-term borrowings</b>                              |  |                                 |                                 |
| Fixed interest rate - TRY                                | 17.37                                  | 973,200                         | 973,200                         |
| Kazakhstan loan - Tenge                                  | 13.97                                  | 956,796                         | 40,924                          |
| <b>Total long-term borrowings</b>                        |  |                                 | <b>1,014,124</b>                |
| <b>Total financial liabilities</b>                       |  |                                 | <b>2,479,884</b>                |

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**NOTE 7 - BORROWINGS (Continued)**

The redemption schedule of borrowings with effective interest rate on 31 March 2023 is as follows:

|                                 | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|---------------------------------|--------------------------------------|------------------|-----------------------------------|
| 1 April 2023 - 31 March 2024    | 52,780                               | 1,412,980        | 1,465,760                         |
| 1 April 2024 - 31 March 2025    | 33,938                               | 526,030          | 555,968                           |
| 1 April 2025 - 31 March 2026    | 10,986                               | 305,045          | 316,031                           |
| 1 April 2026 - 14 December 2026 | -                                    | 142,125          | 142,125                           |
|                                 | <b>93,704</b>                        | <b>2,386,180</b> | <b>2,479,884</b>                  |

The fair value of borrowings on 31 March 2023 is TRY 2,474,741.

The redemption schedule of principal amounts of borrowings on 31 March 2023 is as follows:

|                                 | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|---------------------------------|--------------------------------------|------------------|-----------------------------------|
| 1 April 2023 - 31 March 2024    | 47,917                               | 1,252,598        | 1,300,515                         |
| 1 April 2024 - 31 March 2025    | 35,923                               | 451,291          | 487,214                           |
| 1 April 2025 - 31 March 2026    | 7,324                                | 371,705          | 379,029                           |
| 1 April 2026 - 14 December 2026 | -                                    | 235,409          | 235,409                           |
|                                 | <b>91,164</b>                        | <b>2,311,003</b> | <b>2,402,167</b>                  |

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings on 31 March 2023 is as follows:

|                                 | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|---------------------------------|--------------------------------------|------------------|-----------------------------------|
| 1 April 2023 - 31 March 2024    | 58,280                               | 1,560,843        | 1,619,123                         |
| 1 April 2024 - 31 March 2025    | 39,803                               | 689,372          | 729,175                           |
| 1 April 2025 - 31 March 2026    | 7,719                                | 482,999          | 490,718                           |
| 1 April 2026 - 14 December 2026 | -                                    | 281,309          | 281,309                           |
|                                 | <b>105,802</b>                       | <b>3,014,523</b> | <b>3,120,325</b>                  |

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 31 March 2023 are in line with the provisions of the bank loan agreement.

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**NOTE 7 - BORROWINGS (Continued)**

The movement schedule of borrowings as of 31 March 2023 and 2022 is as follows;

|                                   | <b>2023</b>      | <b>2022</b>      |
|-----------------------------------|------------------|------------------|
| <b>Opening balance, 1 January</b> | <b>2.640.773</b> | <b>2.971.319</b> |
| Proceeds of borrowings            | 160.000          | 708.000          |
| Payments (-)                      | (337.138)        | (154.725)        |
| Foreign exchange losses           | 5.386            | 8.075            |
| Changes in interest accrual       | 10.863           | 24.292           |
| <b>Closing balance, 31 March</b>  | <b>2.479.884</b> | <b>3.556.961</b> |

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



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**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

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

|                                   | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|-----------------------------------|--------------------------------------|------------------|-----------------------------------|
| 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                           |
|                                   | <b>99,682</b>                        | <b>2,541,091</b> | <b>2,640,773</b>                  |

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

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

|                                   | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|-----------------------------------|--------------------------------------|------------------|-----------------------------------|
| 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                           |
|                                   | <b>98,589</b>                        | <b>2,473,941</b> | <b>2,572,530</b>                  |

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

|                                   | <b>Tenge loan<br/>TRY equivalent</b> | <b>TRY Loan</b>  | <b>Total<br/>(TRY equivalent)</b> |
|-----------------------------------|--------------------------------------|------------------|-----------------------------------|
| 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                           |
|                                   | <b>115,937</b>                       | <b>3,267,530</b> | <b>3,383,467</b>                  |

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**NOTE 8 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**

| <b>Short-term provisions</b>         | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|--------------------------------------|--------------------------|-----------------------------|
| Provision for personnel expenses (*) | 250,703                  | 309,998                     |
| Provision for litigation             | 149,744                  | 151,798                     |
| Customer loyalty programs            | 5,621                    | 3,114                       |
|                                      | <b>406,068</b>           | <b>464,910</b>              |

(\*) Provisions for personnel expenses consist of subcontractor service costs and premium provisions.

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:

|                                   | <b>2023</b>    | <b>2022</b>    |
|-----------------------------------|----------------|----------------|
| <b>Opening balance, 1 January</b> | <b>151,798</b> | <b>121,537</b> |
| Increase during period            | 12,029         | 9,665          |
| Payments (-)                      | (14,083)       | (9,190)        |
| <b>Closing balance, 31 March</b>  | <b>149,744</b> | <b>122,012</b> |

**Collaterals, Pledges, Mortgages**

**31 March 2023:**

|   | <b>Total<br/>TRY equivalent</b> | <b>TRY</b>     | <b>USD</b>   | <b>EUR</b> |
|---|---------------------------------|----------------|--------------|------------|
| A. CPM given on behalf of the Company's legal personality | 595,987                         | 583,101        | 651          | 20         |
| B. CPM given on behalf of fully consolidated subsidiaries | 93,697                          | -              | 4,892        | -          |
| <b>Total collaterals, pledges and mortgages</b>           | <b>689,684</b>                  | <b>583,101</b> | <b>5,543</b> | <b>20</b>  |
| <b>Proportion of the other CPM's to equity (%)</b>        | <b>-</b>                        |                |              |            |

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

**Collaterals, Pledges, Mortgages (Continued)**

**31 December 2022:**

|   | <b>Total<br/>TRY equivalent</b> | <b>TRY</b>     | <b>USD</b>   | <b>EUR</b> |
|---|---------------------------------|----------------|--------------|------------|
| 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        | -          |
| <b>Total collaterals, pledges and mortgages</b>           | <b>574,083</b>                  | <b>461,831</b> | <b>5,982</b> | <b>20</b>  |
| <b>Proportion of the other CPM’s to equity (%)</b>        | <b>-</b>                        |                |              |            |

**Contingent assets and liabilities**

Guarantees given on 31 March 2023 and 31 December 2022 are as follows:

|                            | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|----------------------------|--------------------------|-----------------------------|
| Letter of guarantees given | 689,684                  | 574,083                     |
|                            | <b>689,684</b>           | <b>574,083</b>              |

Guarantees received on 31 March 2023 and 31 December 2022 are as follows:

|                                    | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|------------------------------------|--------------------------|-----------------------------|
| Guarantees obtained from customers | 570,106                  | 448,880                     |
| Mortgages obtained from customers  | 25,881                   | 25,522                      |
|                                    | <b>595,987</b>           | <b>474,402</b>              |

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**NOTE 9 - EMPLOYEE BENEFITS**

|                           | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|---------------------------|--------------------------|-----------------------------|
| Payables to personnel (*) | 1,338,790                | 425,106                     |
| Social security payables  | 638,341                  | 327,101                     |
|                           | <b>1,977,131</b>         | <b>752,207</b>              |

(\*) Provision for employment termination benefits and provisions for unused vacation amounting to TRY 795,863 are reclassified as payables to personnel within the The Law on Early Retirement.

|   | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|---|--------------------------|-----------------------------|
| Provision for employment termination benefits | 699,154                  | 1,279,290                   |
| Provision for unused vacation                 | 426,653                  | 572,201                     |
|   | <b>1,125,807</b>         | <b>1,851,491</b>            |

Movement of provision for unused vacation for the periods ended on 31 March 2023 and 2022 is as follows:

|                                   | <b>2023</b>    | <b>2022</b>    |
|-----------------------------------|----------------|----------------|
| <b>Opening balance, 1 January</b> | <b>572,201</b> | <b>187,690</b> |
| Increase during period            | 54,527         | 91,580         |
| Payments (-)                      | (200,075)      | (5,131)        |
| <b>Closing balance, 31 March</b>  | <b>426,653</b> | <b>274,139</b> |

Movement of provision for employee termination benefits for the periods ended on 31 March 2023 and 2022 is as follows:

|                                   | <b>2023</b>      | <b>2022</b>    |
|-----------------------------------|------------------|----------------|
| <b>Opening balance, 1 January</b> | <b>1,279,290</b> | <b>383,554</b> |
| Increase during period            | 58,136           | 49,805         |
| Payments (-)                      | (638,272)        | (24,834)       |
| <b>Closing balance, 31 March</b>  | <b>699,154</b>   | <b>408,525</b> |

**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.

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**NOTE 9 - EMPLOYEE BENEFITS (Continued)**

In the interim condensed consolidated financial statements as of 31 March 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 19,982.83 effective from 1 January 2023 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

**NOTE 10 - REVENUE**

|                           | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---------------------------|--------------------------------------|--------------------------------------|
| Domestic sales            | 27,748,385                           | 12,487,804                           |
| Other sales               | 38,944                               | 14,830                               |
| <b>Gross sales</b>        | <b>27,787,329</b>                    | <b>12,502,634</b>                    |
| Discounts and returns (-) | (603,955)                            | (231,237)                            |
| <b>Sales revenue, net</b> | <b>27,183,374</b>                    | <b>12,271,397</b>                    |
| Cost of sales (-)         | (20,633,764)                         | (9,137,030)                          |
| <b>Gross profit</b>       | <b>6,549,610</b>                     | <b>3,134,367</b>                     |

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

|                 | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|-----------------|--------------------------------------|--------------------------------------|
| Retail sales    | 26,594,757                           | 11,946,584                           |
| Wholesale sales | 1,010,159                            | 468,740                              |
| Rent income     | 143,469                              | 72,480                               |
|                 | <b>27,748,385</b>                    | <b>12,487,804</b>                    |

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**NOTE 11 - EXPENSE BY NATURE**

|   | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---|--------------------------------------|--------------------------------------|
| Personnel expenses                          | 2,665,960                            | 1,219,094                            |
| Rent and common area expenses               | 688,373                              | 298,679                              |
| Energy expenses                             | 569,962                              | 238,065                              |
| Depreciation and amortisation expenses      | 430,865                              | 252,546                              |
| Porterage and cleaning expenses             | 173,615                              | 83,245                               |
| Information technology maintenance expenses | 160,675                              | 92,054                               |
| Advertising expenses                        | 131,651                              | 72,333                               |
| Repair and maintenance expenses             | 54,297                               | 33,520                               |
| Security expenses                           | 47,331                               | 23,213                               |
| Communication expenses                      | 31,379                               | 6,882                                |
| Taxes and other fee expenses                | 20,474                               | 10,436                               |
| Other                                       | 229,906                              | 93,226                               |
|   | <b>5,204,488</b>                     | <b>2,423,293</b>                     |

| <b>Marketing expenses</b>                   | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---|--------------------------------------|--------------------------------------|
| Personnel expenses                          | 2,338,656                            | 1,068,766                            |
| Rent and common area expenses               | 679,441                              | 295,162                              |
| Depreciation and amortisation expenses      | 430,865                              | 252,546                              |
| Energy expenses                             | 566,303                              | 236,847                              |
| Porterage and cleaning expenses             | 168,691                              | 81,072                               |
| Information technology maintenance expenses | 153,459                              | 87,816                               |
| Advertising expenses                        | 131,167                              | 72,333                               |
| Repair and maintenance expenses             | 53,260                               | 33,004                               |
| Security expenses                           | 45,653                               | 22,375                               |
| Taxes and other fee expenses                | 17,421                               | 9,620                                |
| Communication expenses                      | 28,848                               | 6,057                                |
| Other                                       | 158,856                              | 69,894                               |
|   | <b>4,772,620</b>                     | <b>2,235,492</b>                     |

| <b>General administrative expenses</b> | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|--|--------------------------------------|--------------------------------------|
| Personnel expenses                     | 327,304                              | 150,328                              |
| Other                                  | 104,564                              | 37,473                               |
|  | <b>431,868</b>                       | <b>187,801</b>                       |

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**NOTE 11 - EXPENSE BY NATURE (Continued)**

Expenses by nature in cost of sales for the periods 1 January - 31 March 2023 and 2022 are as follows:

|                          | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|--------------------------|--------------------------------------|--------------------------------------|
| Cost of goods sold       | 20,598,393                           | 9,120,521                            |
| Cost of service rendered | 35,371                               | 16,509                               |
|                          | <b>20,633,764</b>                    | <b>9,137,030</b>                     |

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**

| <b>Other operating income</b> | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|-------------------------------|--------------------------------------|--------------------------------------|
| Interest income on term sales | 72,035                               | 75,445                               |
| Other                         | 25,057                               | 26,942                               |
|                               | <b>97,092</b>                        | <b>102,387</b>                       |

| <b>Other operating expenses</b>        | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|--|--------------------------------------|--------------------------------------|
| Interest expense on term purchases (*) | 413,444                              | 428,213                              |
| Litigation provision                   | 12,029                               | 9,665                                |
| Bad debt provision expense             | 5,700                                | 8,692                                |
| Other (**)                             | 61,819                               | 814                                  |
|  | <b>492,992</b>                       | <b>447,384</b>                       |

(\*) 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 (9.71%); 2022 (18.24%)

(\*\*) The part of TRY 54.649 consists of damages and aids that cannot be compensated by the insurance caused by the earthquake.

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**NOTE 13 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

| <b>Income from investing activities</b>        | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|--|--------------------------------------|--------------------------------------|
| Gain on sale of property, plant, and equipment | 4,153                                | -                                    |
| Currency protected deposit income              | -                                    | 39,506                               |
|  | <b>4,153</b>                         | <b>39,506</b>                        |

| <b>Expense from investing activities</b>                        | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---|--------------------------------------|--------------------------------------|
| Losses from leasehold improvements<br>of closed stores (Note 3) | 1,596                                | 2,888                                |
|   | <b>1,596</b>                         | <b>2,888</b>                         |

**NOTE 14 - FINANCIAL INCOME**

|                                  | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|----------------------------------|--------------------------------------|--------------------------------------|
| Interest income on bank deposits | 246,651                              | 79,003                               |
| Foreign exchange gains           | 63,461                               | 30,730                               |
| Financial income on derivatives  | -                                    | 1,092                                |
|                                  | <b>310,112</b>                       | <b>110,825</b>                       |

**NOTE 15 - FINANCIAL EXPENSE**

|   | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|---|--------------------------------------|--------------------------------------|
| Interest expense on lease liabilities             | 227,165                              | 136,897                              |
| Credit card commission expense                    | 116,772                              | 31,506                               |
| Interest expense on bank borrowings               | 109,658                              | 145,609                              |
| Interest expense on employee termination benefits | 29,872                               | -                                    |
| Foreign exchange losses                           | 12,366                               | 14,161                               |
| Financial expense on derivatives                  | 7,369                                | 8,677                                |
| Other   | 12,574                               | 2,183                                |
|   | <b>515,776</b>                       | <b>339,033</b>                       |



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**NOTE 16 - TAX ASSETS AND LIABILITIES**

|                                    | <b>31 March 2023</b> | <b>31 December 2022</b> |
|------------------------------------|----------------------|-------------------------|
| Corporate and income taxes payable | -                    | 279,518                 |
| Less: Prepaid current income taxes | (156,178)            | (421,482)               |
| <b>Taxes on income</b>             | <b>(156,178)</b>     | <b>(141,964)</b>        |
|                                    | <b>31 March 2023</b> | <b>31 December 2022</b> |
| Deferred tax assets                | 1,175,851            | 1,339,348               |
| Deferred tax liabilities           | (192,621)            | (176,781)               |
| <b>Deferred tax assets, net</b>    | <b>983,230</b>       | <b>1,162,567</b>        |

**General Information**

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

In Turkey, corporate tax rate is 20% (2022: 23%).

The Group calculates deferred income tax assets and liabilities based on the temporary difference between the financial statements prepared in accordance with TFRS and the financial statements prepared in accordance with TFRS. Future periods to deferred tax assets and liabilities are calculated based on the liability method on temporary differences for the rates used as of March 31, 2023, Turkey and Kazakhstan respectively 20% and 20% (2022: 20% and 20%).

The details of taxation on income for the periods ended 31 March 2023 and 31 March 2022 are as follows:

|                                   | <b>1 January -<br/>31 March 2023</b> | <b>1 January -<br/>31 March 2022</b> |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Current period income tax expense | -                                    | (62,520)                             |
| Deferred tax income               | (180,286)                            | 39,835                               |
| <b>Current period tax expense</b> | <b>(180,286)</b>                     | <b>(22,685)</b>                      |

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**NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)**

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 31 March 2023 and 31 December 2022 using the currently enacted tax rates, is as follows:

|   | <b>Cumulative<br/>temporary differences</b> |                         | <b>Deferred tax<br/>assets/(liabilities)</b> |                         |
|---|---|-------------------------|--|-------------------------|
|   | <b>31 March 2023</b>                        | <b>31 December 2022</b> | <b>31 March 2023</b>                         | <b>31 December 2022</b> |
| <b>Deferred tax assets:</b>                           |   |                         |  |                         |
| Property, plant and equipment and intangible assets   | 3,084,586                                   | 3,233,328               | 626,471                                      | 651,148                 |
| Short-term provisions                                 | 784,934                                     | 999,651                 | 156,875                                      | 199,819                 |
| Provision for employee termination benefits           | 699,154                                     | 1,279,290               | 139,831                                      | 255,858                 |
| Impact of TFRS 16                                     | 685,376                                     | 615,094                 | 137,075                                      | 123,019                 |
| Inventories   | 559,190                                     | 528,383                 | 111,838                                      | 105,677                 |
| Finance income not accrued from future sales          | 2,334                                       | 3,796                   | 467  | 759                     |
| Other   | 15,418                                      | 15,111                  | 3,294  | 3,068                   |
| <b>Deferred tax assets</b>                            | <b>5,830,992</b>                            | <b>6,674,653</b>        | <b>1,175,851</b>                             | <b>1,339,348</b>        |
| <b>Deferred tax liabilities:</b>                      |   |                         |  |                         |
| Finance expense not accrued from future sales         | (285,330)                                   | (223,156)               | (57,066)                                     | (44,631)                |
| Fair value changes of Financial investments           | (540,245)                                   | (524,212)               | (135,061)                                    | (131,053)               |
| Fair value change of derivative financial instruments | (2,471)                                     | (5,486)                 | (494)  | (1,097)                 |
| <b>Deferred tax liabilities</b>                       | <b>(828,046)</b>                            | <b>(752,854)</b>        | <b>(192,621)</b>                             | <b>(176,781)</b>        |
| <b>Total deferred tax assets, net</b>                 |   |                         | <b>983,230</b>                               | <b>1,162,567</b>        |

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**NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)**

Movements of deferred tax assets and liabilities are as follows:

|  | <b>2023</b>      | <b>2022</b>    |
|--|------------------|----------------|
| <b>Opening balance, 1 January</b>                        | <b>1,162,567</b> | <b>267,107</b> |
| Deferred tax expense/(income) from continuing operations | (180,286)        | 58,882         |
| Recognized on other comprehensive income                 | (4,625)          | (113)          |
| Currency translation differences                         | 5,574            | 885            |
| <b>Closing balance, 31 March</b>                         | <b>983,230</b>   | <b>326,761</b> |

**NOTE 17 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

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

|                                   | <b>31 March 2023</b> |                  | <b>31 December 2022</b> |                  |
|-----------------------------------|----------------------|------------------|-------------------------|------------------|
|                                   | <b>TRY</b>           | <b>Share (%)</b> | <b>TRY</b>              | <b>Share (%)</b> |
| 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            |
| <b>Total</b>                      | <b>181,054</b>       | <b>100.00</b>    | <b>181,054</b>          | <b>100.00</b>    |
| <b>Treasury shares (*)</b>        | <b>(125,435)</b>     |                  | <b>(125,435)</b>        |                  |

(\*) In the utilisation process of separation funds for Kipa shareholders due to the merger, Migros shares with a total nominal value of TRY 2,962, corresponding to Kipa shares with a total nominal value of TRY 48,998 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.

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**NOTE 18 – RELATED PARTY DISCLOSURES**

**a) Balances with related parties**

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

| <b>Trade receivables from related parties</b> | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|---|--------------------------|-----------------------------|
| Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.    | 10                       | 2,930                       |
| Anadolu Efes Spor Kulübü                      | -                        | 245                         |
| Anadolu Motor Üretim ve Pazarlama A.Ş.        | -                        | 155                         |
| Other   | 336                      | 1,996                       |
|   | <b>346</b>               | <b>5,326</b>                |

| <b>Trade payables to related parties</b>                             | <b>31 March<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|--------------------------|-----------------------------|
| Anadolu Efes Pazarlama ve Dağıtım Ticaret A.Ş.,                      | 411,686                  | 357,375                     |
| Coca Cola Satış ve Dağıtım A.Ş.,                                     | 343,176                  | 275,389                     |
| Adel Kalemcilik Ticaret ve San, A.Ş.,                                | 12,247                   | 6,462                       |
| AEH Sigorta Acenteliği A.Ş.,   | 5,923                    | 63,501                      |
| AEH Anadolu Etap Penkon Gıda ve<br>Tarım Ürünleri San, ve Tic, A.Ş., | 4,983                    | 9,375                       |
| Other  | 2,396                    | 2,427                       |
|  | <b>780,411</b>           | <b>714,529</b>              |

**b) Transactions with related parties**

Significant transactions regarding purchases and sales with related parties for the periods ending on 31 March 2023 and 2022 are as follows:

| <b>Inventory purchases</b>   | <b>1 January-<br/>31 March<br/>2023</b> | <b>1 January-<br/>31 March<br/>2022</b> |
|--|---|---|
| Coca Cola Satış ve Dağıtım A.Ş.,                                     | 400,078                                 | 162,826                                 |
| Anadolu Efes Paz, ve Dağıtım Ticaret A.Ş.,                           | 345,458                                 | 192,370                                 |
| Adel Kalemcilik Ticaret ve San, A.Ş.,                                | 12,010                                  | 5,868                                   |
| AEP Anadolu Etap Penkon Gıda ve<br>Tarım Ürünleri San, ve Tic, A.Ş., | 14,562                                  | 6,403                                   |
|  | <b>772,108</b>                          | <b>367,467</b>                          |

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**NOTE 18 - RELATED PARTY DISCLOSURES (Continued)**

| <b>Other transactions</b>      | <b>1 January-<br/>31 March<br/>2023</b> | <b>1 January-<br/>31 March<br/>2022</b> |
|--------------------------------|---|---|
| Rent expenses                  | (4,509)                                 | (1,610)                                 |
| Other income                   | 66                                      | 290                                     |
| <b>Other transactions, net</b> | <b>(4,443)</b>                          | <b>(1,320)</b>                          |

**c) Key management compensation**

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

Total compensation provided to key management personnel by Group for the period ended 31 March 2023 and 2022 is as follows:

|                     | <b>1 January-<br/>31 March<br/>2023</b> | <b>1 January-<br/>31 March<br/>2022</b> |
|---------------------|---|---|
| Short-term benefits | 56,181                                  | 24,983                                  |
|                     | <b>56,181</b>                           | <b>24,983</b>                           |

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

**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.

|   | <b>1 January -<br/>31 March<br/>2023</b> | <b>1 January -<br/>31 March<br/>2022</b> |
|---|--|--|
| Net profit attributable to shareholders                             | 559,952                                  | 158,397                                  |
| Weighted average number of shares with<br>Kr1 face value each(*000) | 18,105,233                               | 18,105,233                               |
| <b>Earnings per share</b>   | <b>3.09</b>                              | <b>0.87</b>                              |

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

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**NOTE 20 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION**

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. On 31 March 2023, if Euro 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 would have been high in the amount of TRY 254,781. (31 December 2022: TRY 127,717)

The profit before tax effect can be broken down in terms of currencies in such a way that that the change amounting to TRY 85,927 is due to the change in Euro and the change amounting to TRY 168,854 is due to US dollar. (31 December 2022: The effect of the change in the Euro is TRY 8,987, the effect of the change in the US Dollar is TRY 116,730.)

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

|                                | FOREIGN CURRENCY POSITION |               |               |                         |                         |               |              |                         |
|--------------------------------|---------------------------|---------------|---------------|-------------------------|-------------------------|---------------|--------------|-------------------------|
|                                | 31 March 2023             |               |               |                         | 31 December 2022        |               |              |                         |
|                                | Total TRY<br>equivalent   | USD           | EUR           | Other TRY<br>equivalent | Total TRY<br>equivalent | USD           | EUR          | Other TRY<br>equivalent |
| Monetary financial assets      | 1,279,025                 | 44,080        | 20,611        | 5,121                   | 637,026                 | 31,214        | 2,254        | 8,444                   |
| Other                          | 170                       | 9             | -             | -                       | 168                     | 9             | -            | -                       |
| <b>Current assets</b>          | <b>1,279,195</b>          | <b>44,089</b> | <b>20,611</b> | <b>5,121</b>            | <b>637,194</b>          | <b>31,223</b> | <b>2,254</b> | <b>8,444</b>            |
| <b>Total assets</b>            | <b>1,279,195</b>          | <b>44,089</b> | <b>20,611</b> | <b>5,121</b>            | <b>637,194</b>          | <b>31,223</b> | <b>2,254</b> | <b>8,444</b>            |
| Financial liabilities          | -                         | -             | -             | -                       | 7,181                   | 12            | 349          | -                       |
| <b>Current liabilities</b>     | <b>-</b>                  | <b>-</b>      | <b>-</b>      | <b>-</b>                | <b>7,181</b>            | <b>12</b>     | <b>349</b>   | <b>-</b>                |
| Non-monetary other liabilities | 10,381                    | -             | 498           | -                       | 10,825                  | -             | 543          | -                       |
| <b>Non-current liabilities</b> | <b>10,381</b>             | <b>-</b>      | <b>498</b>    | <b>-</b>                | <b>10,825</b>           | <b>-</b>      | <b>543</b>   | <b>-</b>                |
| <b>Total liabilities</b>       | <b>10,381</b>             | <b>-</b>      | <b>498</b>    | <b>-</b>                | <b>18,006</b>           | <b>12</b>     | <b>892</b>   | <b>-</b>                |

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

|  | FOREIGN CURRENCY POSITION |               |               |                         |                         |               |              |                         |
|--|---------------------------|---------------|---------------|-------------------------|-------------------------|---------------|--------------|-------------------------|
|  | 31 March 2023             |               |               |                         | 31 December 2022        |               |              |                         |
|  | Total TRY<br>equivalent   | USD           | EUR           | Other TRY<br>equivalent | Total TRY<br>equivalent | USD           | EUR          | Other TRY<br>equivalent |
| Net asset/(liability) position of<br>off-balance sheet derivatives (A-B)     | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| A. Total amount of off-balance sheet<br>derivative financial assets          | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| B. Total amount of off-balance sheet<br>derivative financial liabilities     | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| <b>Net foreign currency asset/(liability)<br/>position</b>                   | <b>1,268,814</b>          | <b>44,089</b> | <b>20,113</b> | <b>5,121</b>            | <b>619,188</b>          | <b>31,211</b> | <b>1,362</b> | <b>8,444</b>            |
| <b>Net foreign currency asset/(liability)<br/>position of monetary items</b> | <b>1,279,025</b>          | <b>44,080</b> | <b>20,611</b> | <b>5,121</b>            | <b>637,026</b>          | <b>31,214</b> | <b>2,254</b> | <b>8,444</b>            |
| Fair value hedge funds of<br>foreign currency                                | -                         | -             | -             | -                       | 351,125                 | -             | 17,614       | -                       |
| Hedge amount of foreign currency assets                                      | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| Hedge amount of foreign currency liabilities                                 | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| Export   | -                         | -             | -             | -                       | -                       | -             | -            | -                       |
| Import   | 58,595                    | 3,059         | -             | -                       | 399,153                 | 21,347        | -            | -                       |



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

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

**31 March 2023**

|                                  | <b>Gain/Loss</b>                             |  |
|----------------------------------|--|--|
|                                  | <b>Foreign<br/>exchange<br/>appreciation</b> | <b>Foreign<br/>exchange<br/>depreciation</b> |
| %20 change in Euro exchange rate |  |  |
| Euro net asset/liability         | 85,927                                       | (85,927)                                     |
| %20 change in USD exchange rate  |  |  |
| USD net asset/liability          | 168,854                                      | (168,854)                                    |
| <b>Euro net effect</b>           | <b>254,781</b>                               | <b>(254,781)</b>                             |

**31 December 2022**

|                                  | <b>Gain/Loss</b>                             |  |
|----------------------------------|--|--|
|                                  | <b>Foreign<br/>exchange<br/>appreciation</b> | <b>Foreign<br/>exchange<br/>depreciation</b> |
| %20 change in Euro exchange rate |  |  |
| Euro net asset/liability         | 8,987  | (8,987)                                      |
| %20 change in USD exchange rate  |  |  |
| USD net asset/liability          | 116,730                                      | (116,730)                                    |
| <b>Euro net effect</b>           | <b>125,717</b>                               | <b>(125,717)</b>                             |

**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).

**NOTE 22 - SUBSEQUENT EVENTS**

The real estate owned by the Group and located in the Bayrampaşa Istanbul, on which the Bayrampaşa Distribution Center is located, was sold for a price of TRY 706.505.000 + VAT and a profit on the sale of tangible fixed assets of TRY 244.425.000 was realized. Conveyance of title in question was held on April 12, 2023.

In its meeting held on March 20, 2023, Migros' Board of Directors resolved to propose distributing a cash dividend of gross TRY 2,606,9536 (net TRY 2,346,2582) per each share with 1 TRY nominal value amounting to a total of TRY 472,000 realizing a 260,70% gross dividend to the shares representing the paid-in capital of TRY 181,054 calculated for the period January-December 2022; which is to be paid starting from May 30, 2023. The proposal was approved by General Assembly on April 11, 2023.

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**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.

|  | 2023             | 2022             | TFRS 16<br>Effect<br>2023 | TFRS 16<br>Effect<br>2022 | Before<br>TFRS 16<br>2023 | Before<br>TFRS 16<br>2022 |
|--|------------------|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue  | 27,183,374       | 12,271,397       | -                         | -                         | 27,183,374                | 12,271,397                |
| Cost of goods sold (-)   | (20,633,764)     | (9,137,030)      | 60,370                    | 40,338                    | (20,694,134)              | (9,177,368)               |
| Gross profit   | 6,549,610        | 3,134,367        | 60,370                    | 40,338                    | 6,489,240                 | 3,094,029                 |
| General administrative expenses (-)  | (431,868)        | (187,801)        | -                         | -                         | (431,868)                 | (187,801)                 |
| Marketing expenses (-)   | (4,772,620)      | (2,235,492)      | 100,337                   | 62,899                    | (4,872,957)               | (2,298,391)               |
| Addition: Depreciation and amortisation expenses                           | 430,865          | 252,546          | 239,851                   | 151,172                   | 191,014                   | 101,374                   |
| <b>EBITDA</b>  | <b>1,775,987</b> | <b>963,620</b>   | <b>400,558</b>            | <b>254,409</b>            | <b>1,375,429</b>          | <b>709,211</b>            |
| Addition: Provision for employment termination benefit and unused vacation | 40,307           | 111,420          | -                         | -                         | 40,307                    | 111,420                   |
| <b>EBITDA</b>  | <b>1,816,294</b> | <b>1,075,040</b> | <b>400,558</b>            | <b>254,409</b>            | <b>1,415,736</b>          | <b>820,631</b>            |
| Addition: Rent expense   | -                | -                | -                         | -                         | 998,608                   | 497,986                   |
| <b>EBITDAR</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>                  | <b>-</b>                  | <b>2,414,344</b>          | <b>1,318,617</b>          |

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**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:

|  | <b>31 March 2023</b> | <b>TFRS 16 EFFECT</b> | <b>BEFORE TFRS 16</b> |
|--|----------------------|-----------------------|-----------------------|
| <b>ASSETS</b>                            |                      |                       |                       |
| <b>Current assets</b>                    |                      |                       |                       |
| Prepaid expenses                         | 479,745              | 855                   | 478,890               |
| <b>Total current assets</b>              | <b>23,008,490</b>    | <b>855</b>            | <b>23,007,635</b>     |
| <b>Non-current assets:</b>               |                      |                       |                       |
| Prepaid expenses                         | 171,986              | (19,914)              | 191,900               |
| Right of use assets                      | 4,961,816            | 4,961,816             | -                     |
| Deferred tax assets                      | 983,230              | 136,142               | 847,088               |
| <b>Total non-current assets</b>          | <b>17,335,270</b>    | <b>5,078,044</b>      | <b>12,257,226</b>     |
| <b>Total assets</b>                      | <b>40,343,760</b>    | <b>5,078,899</b>      | <b>35,264,861</b>     |
| <b>LIABILITIES</b>                       |                      |                       |                       |
| <b>Current liabilities</b>               |                      |                       |                       |
| Lease liabilities                        | 1,407,452            | 1,407,452             | -                     |
| <b>Total current liabilities</b>         | <b>29,698,989</b>    | <b>1,407,452</b>      | <b>28,291,537</b>     |
| <b>Non-current liabilities</b>           |                      |                       |                       |
| Lease liabilities                        | 4,156,629            | 4,156,629             | -                     |
| <b>Total non-current liabilities</b>     | <b>5,902,838</b>     | <b>4,156,629</b>      | <b>1,746,209</b>      |
| <b>Total liabilities</b>                 | <b>35,601,827</b>    | <b>5,564,081</b>      | <b>30,037,746</b>     |
| <b>EQUITY</b>                            |                      |                       |                       |
| Attributable to equity holders of parent | 4,634,811            | (485,182)             | 5,119,993             |
| Accumulated losses/(income)              | 1,811,845            | (432,062)             | 2,243,907             |
| Net profit for the period                | 559,952              | (53,120)              | 613,072               |
| <b>Total equity</b>                      | <b>4,741,933</b>     | <b>(485,182)</b>      | <b>5,227,115</b>      |
| <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>40,343,760</b>    | <b>5,078,899</b>      | <b>35,264,861</b>     |

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

|   | <b>31 March 2023</b> | <b>TFRS 16 EFFECT</b> | <b>BEFORE TFRS 16</b> |
|---|----------------------|-----------------------|-----------------------|
| <b>PROFIT OR LOSS</b>                                   |                      |                       |                       |
| Revenue   | 27,183,374           | -                     | 27,183,374            |
| Cost of sales (-)                                       | (20,633,764)         | 60,370                | (20,694,134)          |
| <b>Gross profit</b>                                     | <b>6,549,610</b>     | <b>60,370</b>         | <b>6,489,240</b>      |
| General administrative expenses (-)                     | (431,868)            | -                     | (431,868)             |
| Marketing expenses (-)                                  | (4,772,620)          | 100,337               | (4,872,957)           |
| Other operating income                                  | 97,092               | -                     | 97,092                |
| Other operating expense (-)                             | (492,992)            | -                     | (492,992)             |
| <b>Operating profit</b>                                 | <b>949,222</b>       | <b>160,707</b>        | <b>788,515</b>        |
| Income from investing activities                        | 4,153                | -                     | 4,153                 |
| Loss from investing activities                          | (1,596)              | -                     | (1,596)               |
| <b>Operating income before finance expense</b>          | <b>951,779</b>       | <b>160,707</b>        | <b>791,072</b>        |
| Financial income  | 310,112              | -                     | 310,112               |
| Financial expense (-)                                   | (515,776)            | (227,165)             | (288,611)             |
| <b>Net profit before tax from continuing operations</b> | <b>746,115</b>       | <b>(66,458)</b>       | <b>812,573</b>        |
| <b>Tax expense from continuing operations</b>           | <b>(180,286)</b>     | <b>13,338</b>         | <b>(193,624)</b>      |
| Current income tax                                      | -                    | -                     | -                     |
| Deferred tax income                                     | (180,286)            | 13,338                | (193,624)             |
| <b>Net profit for the period</b>                        | <b>565,829</b>       | <b>(53,120)</b>       | <b>618,949</b>        |

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