MİGROS TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022

(ORIGINALLY ISSUED IN TURKISH)

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

MİGROS TİCARET A.Ş.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

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

MİGROS TİCARET A.Ş.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

	Notes	30 September 2022	31 December 2021
ASSETS			
Current assets:			
Cash and cash equivalents		6,832,031	3,632,341
Financial investments		367,681	2,596
Trade receivables		553,411	177,905
-Trade receivables from related parties	*19*	*153*	*4,067*
-Trade receivables from third parties		*553,258*	*173,838*
Other receivables		66,039	41,729
-Other receivables from third parties		*66,039*	*41,729*
Derivative instruments		1,289	14,611
Inventories	7	8,794,915	4,675,317
Prepaid expenses		265,622	154,988
Other current assets		316,665	4,237
Total current assets		**17,197,653**	**8,703,724**
Non-current assets:			
Financial investments		74,134	97,059
Other receivables		10,922	5,530
-Other receivables from third parties		*10,922*	*5,530*
Derivative instruments		2,106	8,423
Property, plant and equipment	4	4,392,120	3,750,426
Intangible assets		2,604,848	2,462,011
-Goodwill		*2,403,242*	*2,252,992*
-Other intangible assets	*5*	*201,606*	*209,019*
Prepaid expenses		100,519	20,579
Right of use assets	6	3,718,685	2,785,466
Deferred tax assets	17	344,070	267,107
Total non-current assets		**11,247,404**	**9,396,601**
Total assets		**28,445,057**	**18,100,325**

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

MİGROS TİCARET A.Ş.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

	Notes	30 September 2022	31 December 2021
LIABILITIES			
Current liabilities:			
Short term borrowings		503,407	715,860
-Bank loans	*8*	*503,407*	*715,860*
Short term portion of long term borrowings		1,902,191	1,328,799
-Bank loans	*8*	*841,442*	*569,464*
-Lease liabilities		*1,060,749*	*759,335*
Trade payables		17,118,467	9,581,881
-Trade payables to related parties	*19*	*803,148*	*312,468*
-Trade payables to third parties		*16,315,319*	*9,269,413*
Payables related to employee benefits		572,544	291,750
Other payables		86,325	225,021
-Other payables to third parties		*86,325*	*225,021*
Deferred income		253,213	214,363
Current tax liabilities	17	254,146	49,285
Short term provisions		528,184	698,608
-Short term provisions for employee benefits	*10*	*376,444*	*187,690*
-Other short term provisions	*9*	*151,740*	*510,918*
Other current liabilities		34,330	3,431
Total non-current liabilities		**21,252,807**	**13,108,998**
Non-current liabilities:			
Long term borrowings		4,677,981	4,035,105
-Bank loans	*8*	*1,558,308*	*1,685,995*
-Lease liabilities		*3,119,673*	*2,349,110*
Other payables		28,166	25,877
-Other payables to third parties		*28,166*	*25,877*
Deferred income		171	10,727
Long term provisions		453,906	383,554
-Long term provisions for employee benefits	*10*	*453,906*	*383,554*
Total non-current liabilities		**5,160,224**	**4,455,263**
Total liabilities		**26,413,031**	**17,564,261**

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.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

	Notes	30 September 2022	31 December 2021
EQUITY			
Attributable to equity holders of parent		**1,986,596**	**536,064**
Share capital	18	181,054	181,054
Other capital reserves		(365)	(365)
Treasury shares	18	(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		691,534	715,126
-Defined benefit plans re-measurement		*1,118*	*1,118*
-Revaluation fund of property, plant and eqiupment		*690,416*	*714,008*
Other accumulated comprehensive income to be classified to profit or loss		57,053	48,990
-Currency translation differences		*57,053*	*48,990*
Restricted reserves		526,841	250,582
Accumulated losses		(772,087)	(914,843)
Net income for the period		1,405,927	358,881
Non-controlling interest		**45,430**	**-**
Total equity		**2,032,026**	**536,064**
Total liabilities and equity		**28,445,057**	**18,100,325**

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

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022 AND 2021

(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 - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Revenue	3, 11	50,053,890	21,819,125	25,920,827	9,816,715
Cost of sales (-)	3, 11	(37,509,337)	(16,456,939)	(19,588,288)	(7,408,493)
Gross Profit		**12,544,553**	**5,362,186**	**6,332,539**	**2,408,222**
General administrative expenses (-)	12	(643,267)	(252,138)	(312,794)	(119,240)
Marketing expenses (-)	12	(8,333,062)	(3,389,346)	(4,538,316)	(1,616,269)
Other operating income	13	639,330	285,101	325,378	135,104
Other operating expenses (-)	13	(1,609,694)	(688,585)	(830,768)	(334,250)
Operating profit		**2,597,860**	**1,317,218**	**976,039**	**473,567**
Income from investment activities	14	77,534	(2,840)	213,535	-
Expenses from investment activities (-)	14	(3,908)	(5)	(2,003)	(390)
Operating income before financial income		**2,671,486**	**1,314,373**	**1,187,571**	**473,177**
Financial income	15	198,406	90,341	93,852	5,468
Financial expense (-)	16	(1,094,219)	(387,962)	(816,485)	(264,928)
Net profit before tax from continuing operation		**1,775,673**	**1,016,752**	**464,938**	**213,717**
Tax expense from continuing operations		**(360,872)**	**(204,758)**	**(98,385)**	**(57,755)**
Income tax expense (-)	17	(437,454)	(211,802)	(148,194)	(54,349)
Deferred tax income/(expense)	17	76,582	7,044	49,809	(3,406)
Continued operation period profit		**1,414,801**	**811,994**	**366,553**	**155,962**
Discontinued operations profit for the period		**-**	**-**	**678**	**-**
Net income for the period		**1,414,801**	**811,994**	**367,231**	**155,962**
Net income attributable to:					
- Non-controlling interest		8,874	5,273	-	-
- Equity holders of parent	20	1,405,927	806,721	367,231	155,962
Profit per share (TRY) from contiuning operations	20	7.77	4.46	2.02	0.86

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.

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 1 JANUARY- 30 SEPTEMBER 2022 AND 2021

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

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Net profit for the period	**1,414,801**	**811,994**	**367,231**	**155,962**
Items that not to be reclassified to profit or loss				
Revaluation of fund of property, plant and equipment	*2,583*	*744*	*1,279*	*514*
Tax effect of items not to be reclassified to profit or loss				
Tax effect of revaluation fund of property, plant and equiptment	*(517)*	*(149)*	*(256)*	*(103)*
Items to be reclassified to profit or loss				
Currency translation differences	8,063	1,658	(231,186)	(859)
Other comprehensive income / (loss), after tax	**10,129**	**2,253**	**(230,163)**	**(448)**
Total comprehensive income	**1,424,930**	**814,247**	**137,068**	**155,514**
Allocation of total comprehensive income / (expense)				
-Non-controlling interests	8,874	5,273	(2,400)	-
-Equity holders of parents	1,416,056	808,974	139,468	155,514

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2022 AND 2021

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

					Other comprehensive income / expense not to be reclassified to profit or loss		Other comprehensive income / expense to be reclassified to profit or loss		Retained earnings				
	Share capital	Other capital reserves	Treasury shares	Additional contribution share capital	Defined benefit plans re-measurement (losses)/gains	Increase/(decrease) of revaluation fund of fixed assets	Currency translation difference	Restricted reserves	Accumulated losses	Net (loss) /income for the period	Attributable to equity holder of the parent	Non - controlling interests	Total equity
Balances at 1 January 2021	**181,054**	**(365)**	**(125,435)**	**22,074**	**(3,042)**	**409,260**	**256,000**	**111,249**	**(416,750)**	**(402,984)**	**31,061**	**2,400**	**33,461**
Transfers	-	-	-	-	-	(31,738)	(2,751)	139,333	(507,828)	402,984	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**		**1,023**	**(228,786)**	**-**	**-**	**367,231**	**139,468**	**(2,400)**	**137,068**
Net income for the period	-	-	-	-	-	-	-	-	-	367,231	367,231	-	367,231
Currency translation differences	-	-	-	-	-	-	(23,043)	-	-	-	(23,043)	-	(23,043)
Increase / (decrease) due to the loss of control in subsidiaries	-	-	-	-	-	-	(205,743)	-	-	-	(205,743)	(2,400)	(208,143)
Revaluation fund of property, plant and equipment	-	-	-	-	-	1,023	-	-	-	-	1,023	-	1,023
Balances at 30 September 2021	**181,054**	**(365)**	**(125,435)**	**22,074**	**(3,042)**	**378,545**	**24,463**	**250,582**	**(924,578)**	**367,231**	**170,529**	**-**	**170,529**
Balances at 1 January 2022	**181,054**	**(365)**	**(125,435)**	**22,074**	**1,118**	**714,008**	**48,990**	**250,582**	**(914,843)**	**358,881**	**536,064**	**-**	**536,064**
Transfers	-	-	-	-	-	(25,658)	-	276,259	108,280	(358,881)	-	-	-
Transactions with entities with non-controlling interests (*)	-	-	-	-	-	-	-	-	34,476	-	34,476	36,556	71,032
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**2,066**	**8,063**	**-**	**-**	**1,405,927**	**1,416,056**	**8,874**	**1,424,930**
Net income for the period	-	-	-	-	-	-	-	-	-	1,405,927	1,405,927	8,874	1,414,801
Currency translation differences	-	-	-	-	-	-	8,063	-	-	-	8,063	-	8,063
Increase of revaluation fund of property, plant and equipment	-	-	-	-	-	2,066	-	-	-	-	2,066	-	2,066
Balances at 30 September 2022	**181,054**	**(365)**	**(125,435)**	**22,074**	**1,118**	**690,416**	**57,053**	**526,841**	**(772,087)**	**1,405,927**	**1,986,596**	**45,430**	**2,032,026**

(*) The Group, as of 1 April 2022, have increased their subsidiary shares in Paket Lojistik ve Teknoloji A.S from 25% to 75%.

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2022 AND 2021

(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 - 30 September 2022	1 January - 30 September 2021
Cash flows from operating activities:			
Net profit for the period		**1,414,801**	**367,231**
Net income from continued operations for the period		1,414,801	366,553
Net income from discontinued operations for the period		-	678
Adjustments related to reconciliation of net profit for the period		**3,534,466**	**1,988,655**
Adjustments for depreciation and amortisation expenses	12	848,801	667,347
Adjustments for impairment on receivables	13	10,853	3,238
Adjustments for inventory provisions	7	85,684	41,564
Adjustments for impairment on property, plant and equipment	14	3,004	1,479
Adjustments for provision for employee benefits	10	349,048	137,477
Adjustments for provision for litigation	13	38,805	27,307
Adjustments for interest income	13, 15	(325,363)	(100,319)
Adjustments for interest expense	16	880,833	716,321
Adjustments for deferred financing due to forward purchases expenses	13	1,546,278	782,114
Adjustments for unearned finance income from sales	13	(303,152)	(203,443)
Adjustments for unrealized foreign exchange losses related to bank borrowings	8	24,754	39,473
Adjustments for fair value losses/(gains) arising from derivatives	15, 16	21,651	(9,277)
Adjustments for income tax expense	17	360,872	98,385
Loss on sale of property plant and equipment	14	(7,602)	151
Adjustments for (gains) arising from the sale of subsidiaries		-	(213,162)
Changes in net working capital		**2,238,947**	**668,547**
Adjustments for increase in trade receivables		(383,980)	(43,759)
Adjustments for increase in inventories		(4,205,282)	(860,216)
Adjustments for increase in other receivables related with operations		(944,107)	(29,796)
Adjustments for increase in trade payables		7,592,478	1,569,331
Adjustments for increase in other payables related with operations		179,838	32,987
Cash flows from operating activities		**7,188,214**	**3,024,433**
Employee benefits paid	10	(89,942)	(41,129)
Interest received		578,107	297,785
Interest paid		(1,602,170)	(852,259)
Taxes paid		(237,074)	(87,074)
Other provisions paid	9	(407,929)	(11,656)
Net cash provided by operating activities		**5,429,206**	**2,330,100**

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

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2022 AND 2021

(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 - 30 September 2022	1 January - 30 September 2021
Investing activities			
Cash outflows from the purchase of tangible and intangible assets		(898,822)	(508,265)
Cash inflows from the sale of subsidiaries		-	374,451
Cash inflows from the sale of tangible and intangible assets		36,743	16,168
Obtaining control of subsidiaries cash outflows for purchases		(104,500)	-
Cash flows from investing activities		**(966,579)**	**(117,646)**
Financing activities			
Cash inflows from financial liabilities	8	708,000	300,000
Cash outflows from repayments of borrowings	8	(834,882)	(1,454,890)
Cash outflows from repayment of derivative instruments		(2,726)	10,450
Interest received	15	48,027	3,244
Interest paid		(400,392)	(375,192)
Cash outflows from payments of lease liabilities		(823,411)	(679,352)
Cash flows from financing activities		**(1,305,384)**	**(2,195,740)**
Effect of foreign currency translation differences on cash and cash equivalents		**42,447**	**(45,349)**
Net increase/(decrease) in cash and cash equivalents		3,199,690	(28,635)
Cash and cash equivalents in the begining of the period		**3,632,341**	**3,230,793**
Cash and cash equivalents in the end of the period		**6,832,031**	**3,202,158**

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".

As of 30 September 2022, the indirect shares of AG Anadolu Grubu Holding A.Ş. ("Anadolu Group") is 50%.

Through its Migros, 5M, Migros Jet and Macrocenter stores in Turkey, shopping centers and internet, the Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods. The Company also rents floor space in the shopping malls to other trading companies. As of 30 September 2022, the Group operates in 2,750 stores in total (31 December 2021: 2,565) which comprise of 1,724,674 m2 retail area from 2,724 retail stores and 14,679 m2 whosale area from 26 wholesale stores with a total net space of 1,739,353 m2 (31 December 2021: 1,678,802 m2). As of 30 September 2022, the Group employed 44,142 people (31 December 2021: 40,470). Retail is the main business segment of the Group and constitutes almost 97% of gross sales (31 December 2021: 96%).

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 November 2022 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 regulatories have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

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

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	30 September 2022 (%)	31 December 2021 (%)
Ramstore Kazakhstan LLC	Kazakhstan	Kazakhstan	Shopping centre management	100.0	100.0
Mimeda Medya Platform A.Ş.	Turkey	Turkey	Media	100.0	100.0
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Turkey	Services limited by e-money legislation	80.0	80.0
Paket Lojistik ve Teknolojik A.Ş.	Turkey	Turkey	Logistics	75.0	25.0
Dijital Platform Gıda Hizmetleri A.Ş.	Turkey	Turkey	Online food retaling	100.0	100.0

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Basis of preperation and presentation of financial statements

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

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

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

2.1 Basis of Presentation (Continued)

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

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

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

Furthermore in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge, mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statements disclosures (Note 9, 21).

2.1.2 Changes in the accounting policies, estimates and errors

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

2.1.3 Functional and reporting currency

Items 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.

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

2.1 Basis of Presentation (Continued)

2.1.3 Functional and reporting currency (Continued)

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.

2.2 New and Amended Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 30 September 2022:

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective from annual periods beginning on or after 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective from annual periods beginning on or after 1 January 2021);** These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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

2.2 New and Amended Turkish Financial Reporting Standards (Continued)

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.

    - **Amendments to IFRS 3**, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

    - **Amendments to IAS 16**, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

    - **Amendments to IAS 37**, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

      Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2022:

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- **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', as amended in December 2021;** 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.

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

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

2.3 Important Developments in the Current Period

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this consolidated financial statements, POA did not make an additional announcement and no adjustment was made to this consolidated financial statements in accordance with TAS 29.

NOTE 3 - SEGMENT REPORTING

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

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

The segment information provided to the board of directors as of 30 September 2022 and 2021 are as follows:

a) Segment analysis for the period 1 January - 30 September 2022:

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	50,006,703	47,187	50,053,890	-	50,053,890	-	50,053,890
Intersegment revenues	1,387,082	-	1,387,082	(1,387,082)	-	-	-
Sales revenue	51,393,785	47,187	51,440,972	(1,387,082)	50,053,890	-	50,053,890
Cost of sales	(38,538,642)	(12,635)	(38,551,277)	1,041,940	(37,509,337)	-	(37,509,337)
Gross profit	12,855,143	34,552	12,889,695	(345,142)	12,544,553	-	12,544,553
Marketing expenses	(8,678,204)	-	(8,678,204)	345,142	(8,333,062)	-	(8,333,062)
General administrative expenses	(629,307)	(13,960)	(643,267)	-	(643,267)	-	(643,267)
Addition: Depreciation and amortisation expenses	840,267	8,534	848,801	-	848,801	-	848,801
EBITDA (After ETB and unused vacation provisions)	**4,387,899**	**29,126**	**4,417,025**	**-**	**4,417,025**	**-**	**4,417,025**
Addition: Provision for employement termination benefits	70,352	-	70,352	-	70,352	-	70,352
Addition: Unused vacation pay liability	188,754	-	188,754	-	188,754	-	188,754
EBITDA	**4,647,005**	**29,126**	**4,676,131**	**-**	**4,676,131**	**-**	**4,676,131**
TFRS 16 effect	(823,411)	-	(823,411)	-	(823,411)	-	(823,411)
EBITDA (Excluding TFRS 16 effect)	**3,823,594**	**29,126**	**3,852,720**	**-**	**3,852,720**	**-**	**3,852,720**
Addition: Rent expenses	1,865,365	-	1,865,365	-	1,865,365	-	1,865,365
EBITDAR	**5,688,959**	**29,126**	**5,718,085**	**-**	**5,718,085**	**-**	**5,718,085**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)
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NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment analysis for the period 1 July - 30 September 2022:

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	21,800,816	18,309	21,819,125	-	21,819,125	-	21,819,125
Intersegment revenues	644,557	-	644,557	(644,557)	-	-	-
Sales revenue	22,445,373	18,309	22,463,682	(644,557)	21,819,125	-	21,819,125
Cost of sales	(16,932,662)	(4,666)	(16,937,328)	480,389	(16,456,939)	-	(16,456,939)
Gross profit	5,512,711	13,643	5,526,354	(164,168)	5,362,186	-	5,362,186
Marketing expenses	(3,553,514)	-	(3,553,514)	164,168	(3,389,346)	-	(3,389,346)
General administrative expenses	(247,030)	(5,108)	(252,138)	-	(252,138)	-	(252,138)
Addition: Depreciation and amortisation expenses	313,817	2,871	316,688	-	316,688	-	316,688
EBITDA (After ETB and unused vacation provisions)	**2,025,984**	**11,406**	**2,037,390**	**-**	**2,037,390**	**-**	**2,037,390**
Addition: Provision for employement termination benefits	17,433	-	17,433	-	17,433	-	17,433
Addition: Unused vacation pay liability	(23,666)	-	(23,666)	-	(23,666)	-	(23,666)
EBITDA	**2,019,751**	**11,406**	**2,031,157**	**-**	**2,031,157**	**-**	**2,031,157**
TFRS 16 effect	(296,138)	-	(296,138)	-	(296,138)	-	(296,138)
EBITDA (Excluding TFRS 16 effect)	**1,723,613**	**11,406**	**1,735,019**	**-**	**1,735,019**	**-**	**1,735,019**
Addition: Rent expenses	766,796	-	766,796	-	766,796	-	766,796
EBITDAR	**2,490,409**	**11,406**	**2,501,815**	**-**	**2,501,815**	**-**	**2,501,815**

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Segment analysis for the period 1 January - 30 September 2021:

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	25,899,147	21,680	25,920,827	-	25,920,827	60,704	25,981,531
Intersegment revenues	746	-	746	(746)	-	-	-
Sales revenue	25,899,893	21,680	25,921,573	(746)	25,920,827	60,704	25,981,531
Cost of sales	(19,582,381)	(6,653)	(19,589,034)	746	(19,588,288)	(44,332)	(19,632,620)
Gross profit	6,317,512	15,027	6,332,539	-	6,332,539	16,372	6,348,911
Marketing expenses	(4,538,316)	-	(4,538,316)	-	(4,538,316)	(13,463)	(4,551,778)
General administrative expenses	(302,717)	(10,077)	(312,794)	-	(312,794)	(1,871)	(314,665)
Addition: Depreciation and amortisation expenses	662,858	4,489	667,347	-	667,347	2,607	669,954
EBITDA (After ETB and unused vacation provisions)	**2,139,337**	**9,439**	**2,148,776**	**-**	**2,148,776**	**3,645**	**2,152,421**
Addition: Provision for employement termination benefits	63,143	-	63,143	-	63,143	-	63,143
Addition: Unused vacation pay liability	33,205	-	33,205	-	33,205	-	33,205
EBITDA	**2,235,685**	**9,439**	**2,245,124**	**-**	**2,245,124**	**3,645**	**2,248,769**
TFRS 16 effect	(679,352)	-	(679,352)	-	(679,352)	-	(679,352)
EBITDA (Excluding TFRS 16 Effect)	**1,556,333**	**9,439**	**1,565,772**	**-**	**1,565,772**	**3,645**	**1,569,417**
Addition: Rent expenses	1,153,756	2	1,153,758	-	1,153,758	2,805	1,156,563
EBITDAR	**2,710,089**	**9,441**	**2,719,530**	**-**	**2,719,530**	**6,450**	**2,725,980**

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period 1 July - 30 September 2021:

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	9,809,090	7,625	9,816,715	-	9,816,715	-	9,816,715
Intersegment revenues	(482)	-	(482)	482	-	-	-
Sales revenue	9,808,608	7,625	9,816,233	482	9,816,715	-	9,816,715
Cost of sales	(7,405,786)	(2,225)	(7,408,011)	(482)	(7,408,493)	-	(7,408,493)
Gross profit	2,402,822	5,400	2,408,222	-	2,408,222	-	2,408,222
Marketing expenses	(1,616,269)	-	(1,616,269)	-	(1,616,269)	-	(1,616,269)
General administrative expenses	(116,869)	(2,371)	(119,240)	-	(119,240)	-	(119,240)
Addition: Depreciation and amortisation expenses	233,629	1,504	235,133	-	235,133	-	235,133
EBITDA (After ETB and unused vacation provisions)	**903,313**	**4,533**	**907,846**	**-**	**907,846**	**-**	**907,846**
Addition: Provision for employement termination benefits	4,920	-	4,920	-	4,920	-	4,920
Addition: Unused vacation pay liability	(7,590)	-	(7,590)	-	(7,590)	-	(7,590)
EBITDA	**900,643**	**4,533**	**905,176**	**-**	**905,176**	**-**	**905,176**
TFRS 16 effect	(242,654)	-	(242,654)	-	(242,654)	-	(242,654)
EBITDA (Excluding TFRS 16 Effect)	**657,989**	**4,533**	**662,522**	**-**	**662,522**	**-**	**662,522**
Addition: Rent expenses	424,180	-	424,180	-	424,180	-	424,180
EBITDAR	**1,082,169**	**4,533**	**1,086,702**	**-**	**1,086,702**	**-**	**1,086,702**

A reconciliation of EBITDA figure to income before tax is provided as follows:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
EBITDAR reported segments	5,718,085	2,501,815	2,719,530	1,086,702
Rent expenses	(1,865,365)	(766,796)	(1,153,758)	(424,180)
TFRS 16 effect	823,411	296,138	679,352	242,654
EBITDA reported segments	**4,676,131**	**2,031,157**	**2,245,124**	**905,176**
Depreciation and amortisation	(848,801)	(316,688)	(667,347)	(235,133)
Provision for employee termination benefits	(70,352)	(17,433)	(63,143)	(4,920)
Provision for unused vacation liability	(188,754)	23,666	(33,205)	7,590
Other operating income	639,330	285,101	325,378	135,104
Other operating expense (-)	(1,609,694)	(688,585)	(830,768)	(334,250)
Operating profit	**2,597,860**	**1,317,218**	**976,039**	**473,567**
Income from investing activities	77,534	(2,840)	213,535	-
Expense from investing activities (-)	(3,908)	(5)	(2,003)	(390)
Operating profit before finance income	**2,671,486**	**1,314,373**	**1,187,571**	**473,177**
Financial income	198,406	90,341	93,852	5,468
Financial expense (-)	(1,094,219)	(387,962)	(816,485)	(264,928)
Income before tax	**1,775,673**	**1,016,752**	**464,938**	**213,717**

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

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2022	Additions (*)	Disposals	Impairment loss(**)	Transfers	Currency translation differences	30 September 2022
Cost							
Lands	764,754	-	(14,800)	-	-	133	750,087
Buildings	842,943	3,816	(22,280)	-	1,951	56,652	883,082
Leasehold improvements	1,159,929	82,007	-	(3,697)	46,416	-	1,284,655
Machinery and equipments	1,881,148	202,075	(9,970)	-	217,198	5,284	2,295,735
Motor vehicles	12,700	71,300	(2,809)	-	4,640	2,775	88,606
Furniture and fixtures	1,014,631	92,005	(10,331)	-	60,105	1,070	1,157,480
Construction in progress	168,340	490,644	-	-	(330,310)	-	328,674
Total	**5,844,445**	**941,847**	**(60,190)**	**(3,697)**	**-**	**65,914**	**6,788,319**
Accumulated depreciation							
Buildings	(76,131)	(19,703)	1,302	-	-	(13,574)	(108,106)
Leasehold improvements	(588,814)	(69,525)	-	693	-	-	(657,646)
Machinery and equipments	(867,253)	(130,699)	7,673	-	-	(2,976)	(993,255)
Motor vehicles	(5,171)	(26,614)	13	-	-	-	(31,772)
Furniture and fixture	(556,650)	(55,537)	7,680	-	-	(913)	(605,420)
Total	**(2,094,019)**	**(302,078)**	**16,668**	**693**	**-**	**(17,463)**	**(2,396,199)**
Net book value	**3,750,426**						**4,392,120**

(*) As of 30 September 2022, additions include costs amounting to TRY 91,358, accumulated depreciation amounting to TRY 30,776 and depreciation expense amounting to TRY 18,865 due to subsidiaries included in the consolidation as of 30 September 2022.

(**) Impairment loss amounting to TRY 3,004 consists of leasehold improvements of the stores closed in 2022 (Note 14).

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

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments period ended at 30 September 2021 is as follows;

	1 January 2021	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2021
Cost							
Lands	590,907	-	-	-	-	53	590,960
Buildings	566,295	1,454	-	-	79	13,689	581,517
Leasehold improvements	961,105	77,897	(497)	(5,912)	41,022	-	1,073,615
Machinery and equipments	1,450,494	129,266	(30,399)	-	124,300	4,164	1,677,825
Motor vehicles	9,745	3,128	(644)	-	-	-	12,229
Furniture and fixtures	887,016	54,237	(14,892)	-	22,522	1,517	950,400
Construction in progress	116,491	176,837	-	-	(187,923)	-	105,405
	4,582,053	**442,819**	**(46,432)**	**(5,912)**	**-**	**19,423**	**4,991,951**
Accumulated depreciation							
Buildings	(41,710)	(13,177)	-	-	-	(1,172)	(56,059)
Leasehold improvements	(511,194)	(61,857)	388	4,433	-	-	(568,230)
Machinery and equipments	(743,695)	(94,487)	26,962	-	150	(3,774)	(814,844)
Motor vehicles	(3,385)	(1,741)	582	-	-	-	(4,544)
Furniture and fixture	(509,325)	(41,753)	13,562	-	-	(6,478)	(543,994)
	(1,809,309)	**(213,015)**	**41,494**	**4,433**	**150**	**(11,424)**	**(1,987,671)**
Net book value	**2,772,744**						**3,004,280**

(*) Impairment loss amounting to TRY 1,479 consists of leasehold improvements of the stores closed in 2021 (Note:14).

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NOTE 5 - INTANGIBLE ASSETS

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

	1 January 2022	Additions (*)	Disposals	Transfers	Currency translation differences	30 September 2022
Cost						
Trademark	2,787	-	-	-	-	2,787
Rent agreements	39,131	-	-	-	-	39,131
Rights	568,068	52,153	-	-	2,372	622,593
Other intangible assets	170,167	427	-	-	-	170,594
Total	**780,153**	**52,580**	**-**	**-**	**2,372**	**835,105**
Accumulated amortisation						
Rent agreements	(37,132)	(717)	-	-	-	(37,849)
Rights	(413,673)	(58,609)	-	-	(2,134)	(474,416)
Other intangible assets	(120,329)	(905)	-	-	-	(121,234)
Total	**(571,134)**	**(60,231)**	**-**	**-**	**(2,134)**	**(633,499)**
Net book value	**209,019**					**201,606**

(*) As of 30 September 2022, additions include costs amounting to TRY 4,247, accumulated amortisation amounting to TRY 3,566 and amortisation expense TRY 3,014 due to subsidiaries included in the consolidation as of 30 September 2022.

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

NOTE 5 - INTANGIBLE ASSETS (Continued)

Movement of intangible assets period ended at 30 September 2021 is as follows;

	1 January 2021	Additions	Disposals	Transfers	Currency translation differences	30 September 2021
Cost						
Trademark	2,787	-	-	-	-	2,787
Rent agreements	39,131	-	-	-	-	39,131
Rights	470,376	65,446	(4,428)	-	273	531,667
Other intangible assets	170,167	-	-	-	-	170,167
	682,461	**65,446**	**(4,428)**	**-**	**273**	**743,752**
Accumulated amortisation						
Rent agreements	(36,176)	(717)	-	-	-	(36,893)
Rights	(340,426)	(46,803)	4,190	(150)	(652)	(383,841)
Other intangible assets	(119,180)	(862)	-	-	-	(120,042)
	(495,782)	**(48,382)**	**4,190**	**(150)**	**(652)**	**(540,776)**
Net book value	**186,679**					**202,976**

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

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NOTE 6 - RIGHT OF USE ASSETS

For 30 September 2022 and 2021, movements of right of use assets are as follows:

Cost	1 January 2022	Additions (*)	30 September 2022
Buildings	4,264,991	1,433,947	5,698,938
	4,264,991	**1,433,947**	**5,698,938**
Accumulated Amortisation			
Buildings	(1,479,525)	(500,728)	(1,980,253)
	(1,479,525)	**(500,728)**	**(1,980,253)**
Net book value	**2,785,466**		**3,718,685**

(*) As of 30 September 2022, cost amounting to TRY 10,056, accumulated depreciation amounting to TRY 4,081 and depreciation expense amounting to TRY 2,306 included in right-of-use asset additions as a result of companies included in the consolidation for the first time as of 30 September 2022.

Cost	1 January 2021	Additions	30 September 2021
Buildings	3,756,145	542,414	4,298,559
	3,756,145	**542,414**	**4,298,559**
Accumulated Amortisation			
Buildings	(966,401)	(405,950)	(1,372,351)
	(966,401)	**(405,950)**	**(1,372,351)**
Net book value	**2,789,744**		**2,926,208**

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

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NOTE 7 - INVENTORIES

	30 September 2022	31 December 2021
Finished goods and commodities	8,802,560	4,731,014
Work in progress	132,436	54,928
Raw materials	58,844	29,399
Other	39,161	12,378
Less: Provision for net realiazable value	(238,086)	(152,402)
	8,794,915	**4,675,317**

NOTE 8 - FINANCIAL LIABILITIES

	30 September 2022		
	Effective interest rate (%)	**In original currency**	**Total TRY equivalent**
Short term borrowings			
Fixed interest rate - TRY	17.10	205,128	205,128
Floating interest rate - TRY	18.14	298,279	298,279
Total short term borrowings			**503,407**
Current portion of long term borrowings			
Fixed interest rate - TRY	18.51	782,940	782,940
Kazakhstan loan - Tenge	13.97	1,505,262	58,502
Total current portion of long term borrowings			**841,442**
Total short term borrowings			**1,344,849**
Long term borrowings			
Fixed interest rate - TRY	18.26	1,509,240	1,509,240
Kazakhstan loan - Tenge	13.97	1,262,528	49,068
Total long term borrowings			**1,558,308**
Total financial liabilities			**2,903,157**

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

NOTE 8 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of borrowings with effective interest rate at 30 September 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 October 2022 - 30 September 2023	58,502	1,286,347	1,344,849
1 October 2023 - 30 September 2024	19,543	733,819	753,362
1 October 2024 - 30 September 2025	26,198	422,323	448,521
1 October 2025 - 30 September 2026	3,327	235,077	238,404
1 October 2026 - 14 December 2026	-	118,021	118,021
	107,570	**2,795,587**	**2,903,157**

The fair value of borrowings at 30 September 2022 is TRY_2,827,020.

The redemption schedule of principal amounts of borrowings at 30 September 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 October 2022 - 30 September 2023	47,400	948,497	995,897
1 October 2023 - 30 September 2024	41,353	684,927	726,280
1 October 2024 - 30 September 2025	26,198	467,436	493,634
1 October 2025 - 30 September 2026	3,327	341,023	344,350
1 October 2026 - 14 December 2026	-	235,408	235,408
	118,278	**2,677,291**	**2,795,569**

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings at 30 September 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 October 2022 - 30 September 2023	58,263	1,392,352	1,450,615
1 October 2023 - 30 September 2024	52,957	941,195	994,152
1 October 2024 - 30 September 2025	36,168	580,524	616,692
1 October 2025 - 30 September 2026	7,014	418,557	425,571
1 October 2026 - 14 December 2026	-	122,270	122,270
	154,402	**3,454,898**	**3,609,300**

The Group has the obligation to comply with the various credit commitments in the loan agreement in the interest of the said bank credits. The financial ratios calculated on the financial statements as of 30 September 2022 are in line with the provisions of the bank loan agreement.

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

NOTE 8 - FINANCIAL LIABILITIES (Continued)

The movement schedules of borrowings as of 30 September 2022 and 2021 are as follows;

	1 January- 30 September 2022	1 January- 30 September 2021
Beginning balance	**2,971,319**	**3,837,542**
Proceeds of borrowings	708,000	300,000
Payments (-)	(834,882)	(1,454,890)
Foreign exchange losses	24,754	39,473
Interest accrual	12,951	(12,371)
Change due to subsidiary sale	-	41,640
Change due to the effect of first time consolidation	21,015	-
Ending balance	**2,903,157**	**2,751,394**

	31 December 2021		
	Effective interest rate (%)	**In original currency**	**Total TRY equivalent**
Short term borrowings			
Fixed interest rate - TRY	17.87	459,096	459,096
Floating interest rate - TRY	17.87	256,764	256,764
Total short term borrowings			**715,860**
Current portion of long term borrowings			
Floating interest rate - TRY	20.31	49,654	49,654
Fixed interest rate - TRY	16.98	486,504	486,504
Kazakhstan loan - EUR	4.50	23	341
Kazakhstan loan - Tenge	13.97	1,065,687	32,965
Total current portion of long term borrowings			**569,464**
Total short term borrowings			**1,285,324**
Long term borrowings			
Floating interest rate - TRY	20.31	249,929	249,929
Fixed interest rate - TRY	16.85	1,291,278	1,291,278
Kazakhstan loan - EUR	4.50	4,600	69,399
Kazakhstan loan - Tenge	13.97	2,437,132	75,389
Total long term borrowings			**1,685,995**
Total financial liabilities			**2,971,319**

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

NOTE 8 - FINANCIAL LIABILITIES (Continued)

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

	Tenge loan TRY equivalent	Euro loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 January 2022 - 31 December 2022	32,965	341	1,252,018	1,285,324
1 January 2023 - 31 December 2023	36,334	24,139	718,502	778,975
1 January 2024 - 31 December 2024	31,109	45,260	487,819	564,188
1 January 2025 - 31 December 2025	7,945	-	280,732	288,677
1 January 2026 - 14 December 2026	-	-	54,155	54,155
	108,353	**69,740**	**2,793,226**	**2,971,319**

The fair value of borrowings at 31 December 2021 is TRY 2,936,696.

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

	Tenge loan TRY equivalent	Euro loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 January 2022 - 31 December 2022	32,010	-	938,119	970,129
1 January 2023 - 31 December 2023	36,334	24,139	663,857	724,330
1 January 2024 - 31 December 2024	31,109	45,260	572,013	648,382
1 January 2025 - 31 December 2025	7,945	-	423,719	431,664
1 January 2026 - 14 December 2026	-	-	111,408	111,408
	107,398	**69,399**	**2,709,116**	**2,885,913**

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings at 31 December 2021 is as follows:

	Tenge loan TRY equivalent	Euro loan TRY equivalent	TRY Loan	Total (TRY equivalent)
1 January 2022 - 31 December 2022	40,786	2,610	1,360,531	1,403,927
1 January 2023 - 31 December 2023	42,932	27,262	924,558	994,752
1 January 2024 - 31 December 2024	33,997	45,773	736,195	815,965
1 January 2025 - 31 December 2025	8,362	-	501,354	509,716
1 January 2026 - 14 December 2026	-	-	132,604	132,604
	126,077	**75,645**	**3,655,242**	**3,856,964**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)
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NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions	**30 September 2022**	**31 December 2021**
Provision for litigation	140,667	121,537
Provision for customer loyalty programs	11,073	1,127
Competition board penalty (*)	-	388,254
	151,740	**510,918**

(*) With the Competition Board's resolution dated 28 October 2021 and numbered 21-53/747-360, it was determined that number of enterprises of retailer and supplier violated Article 4 of the Law No. 4054. Based on this resolution, the provision amount of TRY 388,254 was paid without prejudice on 11 February 2022 and reflected in the consolidated financial statements. The payment of the fine or its reflection on the Company's financial statements does not mean that the charges subject to the penalty have been accepted, and the lawsuit regarding the cancellation of the penalty and the suspension of execution has been filed in the relevant court within the legal period. With its decision dated 15 June 2022, the 7th Administrative Court of Ankara rejected Migros' request for a suspension of execution. Migros appealed against the court's refusal decision. In the current situation, the trial process continues.

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:

	1 January- 30 September 2022	**1 January- 30 September 2021**
Beginning balance	**121,537**	**94,561**
Increase during period	38,805	27,307
Payments (-)	(19,675)	(11,656)
Ending balance	**140,667**	**110,212**

Collaterals, Pledges, Mortgages

30 September 2022:

	TRY equivalent	**TRY**	**USD**	**EUR**
A. CPM given on behalf of the Company's legal personality	453,033	440,615	651	20
B. CPM given on behalf of fully consolidated subsidiaries	107,575	-	5,809	-
Total collaterals, pledges and mortgages	**560,608**	**440,615**	**6,460**	**20**
Proportion of the other CPM's to equity (%)	**-**			

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NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2021:

	TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	231,077	222,400	651	-
B. CPM given on behalf of fully consolidated subsidiaries	144,788	-	5,656	4,600
Total collaterals, pledges and mortgages	**375,865**	**222,400**	**6,307**	**4,600**
Proportion of the other CPM's to equity (%)	-			

Contingent assets and liabilities

Guarantees given at 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Letter of guarantees given	560,608	375,865
	560,608	**375,865**

Guarantees received at 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Guarantees obtained from customers	427,648	279,196
Mortgages obtained from customers	25,380	21,280
	453,028	**300,476**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)
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NOTE 10 - EMPLOYEE BENEFITS

	30 September 2022	31 December 2021
Provision for employment termination benefits	453,906	383,554
Provision for unused vacation	376,444	187,690
	830,350	**571,244**

Movements of provision for unused vacation for the periods ended in 30 September 2022 and 2021 are as follows:

	30 September 2022	30 September 2021
Beginning balance	**187,690**	**158,126**
Increase during period	205,150	40,811
Payments during period (-)	(16,396)	(7,606)
Ending balance	**376,444**	**191,331**

Movements of provision for employee termination benefits for the periods ended in 30 September 2022 and 2021 are as follows:

	30 September 2022	30 September 2021
Beginning balance	**383,554**	**257,690**
Provision during period	143,898	96,666
Payments during period (-)	(73,546)	(33,523)
Ending balance	**453,906**	**320,833**

Provision for employment termination benefits

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

In the interim condensed consolidated financial statements as of 30 September 2022 and consolidated financial statements as of 31 December 2021, 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.

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NOTE 10 - EMPLOYEE BENEFITS (Continued)

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 15,371.40 effective from 1 July 2022 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

NOTE 11 - REVENUE

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Domestic sales	50,792,600	22,092,623	26,351,174	9,972,571
Foreign sales	45,740	18,215	20,942	7,605
Other sales	47,920	17,814	33,753	11,734
Gross sales	**50,886,260**	**22,128,652**	**26,405,869**	**9,991,910**
Discounts and returns (-)	(832,370)	(309,527)	(485,042)	(175,195)
Sales revenue, net	**50,053,890**	**21,819,125**	**25,920,827**	**9,816,715**
Cost of sales (-)	(37,509,337)	(16,456,939)	(19,588,288)	(7,408,493)
Gross profit	**12,544,553**	**5,362,186**	**6,332,539**	**2,408,222**

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

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Retail sales revenue	48,779,909	21,277,339	25,349,922	9,451,731
Wholesale revenue	1,767,651	710,609	881,919	464,749
Rent income	290,780	122,890	140,275	63,696
	50,838,340	**22,110,838**	**26,372,116**	**9,980,176**

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NOTE 12 - EXPENSE BY NATURE

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Personnel expenses	4,347,003	1,702,818	2,383,345	813,867
Rent and common area	1,228,623	539,267	600,397	231,377
Energy	1,015,908	491,046	340,295	157,370
Depreciation and amortisation	848,801	316,688	667,347	235,133
Porterage and cleaning	299,659	122,128	179,680	65,279
Information technology maintenance	293,711	117,537	145,276	52,099
Advertising	203,253	45,376	163,673	36,043
Repair and maintanence	141,703	64,922	74,212	29,253
Security	80,192	31,454	56,160	19,753
Taxes and other fees	33,722	11,028	23,628	7,351
Communication	22,175	7,523	16,075	5,798
Other	461,579	191,697	201,022	82,186
	8,976,329	**3,641,484**	**4,851,110**	**1,735,509**

Marketing expenses	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Personnel expenses	3,852,688	1,517,212	2,149,957	735,738
Rent and common area	1,213,923	533,784	590,352	227,909
Energy	1,011,656	489,181	338,149	156,527
Depreciation and amortisation	848,801	316,688	667,347	235,133
Porterage and cleaning	291,969	119,100	175,222	63,792
Information technology maintenance	277,332	110,906	135,890	48,135
Advertising	203,052	45,235	163,669	36,043
Repair and maintanence	139,355	64,097	72,707	28,712
Security	77,290	30,341	54,385	19,144
Taxes and other fees	30,252	9,101	21,989	6,897
Communication	19,675	6,558	14,005	4,947
Other	367,069	147,143	154,644	53,292
	8,333,062	**3,389,346**	**4,538,316**	**1,616,269**

General administrative expenses	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Personnel expenses	494,315	185,606	233,388	78,129
Other	148,952	66,532	79,406	41,111
	643,267	**252,138**	**312,794**	**119,240**

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NOTE 12 - EXPENSE BY NATURE (Continued)

Expenses by nature in cost of sales for the periods 1 January - 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Cost of goods sold	(37,437,388)	(16,424,617)	(19,557,750)	(7,395,210)
Cost of service rendered	(71,949)	(32,322)	(30,538)	(13,283)
	(37,509,337)	**(16,456,939)**	**(19,588,288)**	**(7,408,493)**

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 13 - OTHER OPERATING INCOME AND EXPENSES

Other operating income

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Interest income on term sales	303,152	130,834	203,443	80,017
Interest income from operating activities	277,336	137,526	97,075	49,043
Other	58,842	16,741	24,860	6,044
	639,330	**285,101**	**325,378**	**135,104**

Other operating expenses

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Interest expense on term purchases(*)	(1,546,278)	(666,114)	(782,114)	(323,566)
Litigation provision	(38,805)	(13,209)	(27,307)	(6,135)
Bad debt provision expense	(10,853)	(1,271)	(3,238)	(1,598)
Other	(13,758)	(7,991)	(18,109)	(2,951)
	(1,609,694)	**(688,585)**	**(830,768)**	**(334,250)**

(*) 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 2022 is 17.8%; (2021: 18.3%)

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NOTE 14 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investing activities

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Subsidiary fair value gain	49,000	750	-	-
Currency protected deposit income	20,028	(7,464)	-	-
Gain on sale of property, plant and equipment	8,506	3,874	373	-
Subsidiary sales profit (*)	-	-	213,162	-
	77,534	**(2,840)**	**213,535**	**-**

(*) The Group recorded a sales profit of TRY 213,162 arising from the sale of its subsidiary Ramstore Macedonia DOO ("Ramstore Macedonia") in accordance with the share transfer agreement dated 9 March 2021. TRY 205,743 of this amount is due to the classification of the foreign currency translation differences that the subsidiary accounted for in other comprehensive income in the previous periods, and the total effect of the transaction on equity is TRY 7,419.

Expense from investing activities

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Losses from leasehold improvements of closed stores (Note 4)	(3,004)	-	(1,479)	(290)
Losses on sale of property, plant and equipment	(904)	(5)	(524)	(100)
	(3,908)	**(5)**	**(2,003)**	**(390)**

NOTE 15 - FINANCIAL INCOME

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Foreign exchange gains	147,648	60,768	75,535	4,880
Interest income on bank deposits	48,027	28,859	3,244	211
Financial income on derivatives	2,731	714	15,073	377
	198,406	**90,341**	**93,852**	**5,468**

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NOTE 16 - FINANCIAL EXPENSES

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Interest expense on lease liabilities	(457,280)	(169,074)	(353,033)	(124,474)
Interest expense on bank borrowings	(423,553)	(134,300)	(363,288)	(117,573)
Foreign exchange losses	(34,370)	(3,126)	(36,842)	(363)
Financial expense on derivatives	(24,382)	(19,544)	(5,796)	(1,716)
Other	(154,634)	(61,918)	(57,526)	(20,802)
	(1,094,219)	**(387,962)**	**(816,485)**	**(264,928)**

NOTE 17 - TAX ASSETS AND LIABILITIES

	30 September 2022	31 December 2021
Corporate and income taxes payable	441,935	185,780
Less: Prepaid current income taxes	(187,789)	(136,495)
Taxes on income	**254,146**	**49,285**

	30 September 2022	31 December 2021
Deferred tax assets	453,988	312,225
Deferred tax liabilities	(109,918)	(45,118)
Deferred tax assets, net	**344,070**	**267,107**

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 23% (2021:25%).

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 September 30, 2022 Turkey and Kazakhstan respectively 23% and 20% (2021: 25% and 20%).

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

The details of tax expense for the periods 1 January - 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Current period income tax expense	(437,454)	(211,802)	(148,194)	(54,349)
Deferred tax income/(expense)	76,582	7,044	49,809	(3,406)
Current period tax expense	**(360,872)**	**(204,758)**	**(98,385)**	**(57,755)**

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 September 2022 and 31 December 2021 using the currently enacted tax rates, are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 September 2022	**31 December 2021**	**30 September 2022**	**31 December 2021**
Deferred tax assets:				
Inventories	573,260	358,208	131,850	82,388
Short term provisions	483,085	275,202	111,110	63,296
TFRS 16 effect	481,326	372,117	110,705	85,587
Provision for employee termination benefits	453,906	383,554	90,781	76,711
Finance income not accrued from future sales	3,508	1,129	807	260
Other	38,047	17,393	8,735	3,983
Deferred tax assets	**2,033,132**	**1,407,603**	**453,988**	**312,225**
Deferred tax liabilities:				
Finance expense not accrued from future sakes	(288,199)	(232,093)	(66,622)	(53,381)
Property, plant and equiment and intangible assets	(153,784)	121,966	(37,819)	18,633
Fair value change of derivative financial instruments	(3,395)	(23,035)	(781)	(5,298)
Other	(23,481)	(23,481)	(4,696)	(5,072)
Deferred tax liabilities	**(468,859)**	**(156,643)**	**(109,918)**	**(45,118)**
Total deferred tax assets, net	**1,564,273**	**1,250,960**	**344,070**	**267,107**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)
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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Movements of deferred tax assets and liabilities are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	**267,107**	**(13,005)**
Deferred tax income from continuing operations	76,582	49,809
Charged to equity	(517)	(256)
Currency translation difference	898	1,492
Closing balance	**344,070**	**38,040**

NOTE 18 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The shareholders of the Company and their shareholdings stated at historical amounts at 30 September 2022 and 31 December 2021 are stated below:

	30 September 2022		31 December 2021	
	TRY	Share (%)	TRY	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046	49.18	89,046	49.18
Migros Ticaret A.Ş.	2,962	1.64	2,962	1.64
Other	89,046	49.18	89,046	49.18
Total	**181,054**	**100.00**	**181,054**	**100.00**
Treasury shares (*)	**(125,435)**		**(125,435)**	

(*) In the utilisation process of separation funds for Kipa shareholders due to the merger, Migros shares with a total nominal value of TRY 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 19 – RELATED PARTY DISCLOSURES

a) Balances with related parties

As of 30 September 2022 and 31 December 2021, due from and due to related parties are as follows:

Trade receivables from related parties	**30 September 2022**	**31 December 2021**
AG Anadolu Gubu Holding A.Ş.	65	32
Anadolu Efes Spor Kulübü	39	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	37	31
Anadolu Sağlık Merkezi İktisadi İşletmesi	1	64
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.	-	699
Anadolu Motor Üretim ve Pazarlama A.Ş.	-	117
Mimeda Medya Platform A.Ş.	-	3.000
Other	11	124
	153	**4,067**

Trade payables to related parties	**30 September 2022**	**31 December 2021**
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	402,308	175,214
Coca Cola Satış ve Dağıtım A.Ş.	378,965	112,804
Adel Kalemcilik Ticaret ve San. A.Ş.	17,450	16,170
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	2,716	8,028
AEH Sigorta Acenteliği A.Ş.	908	104
Other	801	148
	803,148	**312,468**

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

NOTE 19 – RELATED PARTY DISCLOSURES (Continued)

b) Transactions with related parties

Significant transactions regarding purchases and sales with related parties for the periods ending on 30 September 2022 and 2021 are as follows:

Inventory purchases

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Efes Paz. ve Dağıtım Ticaret A.Ş.	882,648	403,235	481,072	215,562
Coca Cola Satış ve Dağıtım A.Ş.	874,602	429,855	376,071	164,299
Adel Kalemcilik Ticaret ve San. A.Ş.	26,474	21,750	14,523	13,566
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	16,820	6,002	33,363	10,545
	1,800,544	**860,842**	**905,029**	**403,972**

Other transactions

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Rent revenue	1,725	-	956	646
Rent expenses	(7,858)	(6,073)	(5,081)	(1,813)
Other income	788	50	533	254
Other transactions, net	**(5,345)**	**(6,023)**	**(3,592)**	**(913)**

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 periods 1 January - 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Short term benefits	69,010	33,135	42,515	14,120
	69,010	**33,135**	**42,515**	**14,120**

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

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NOTE 20 - 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.

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Net profit attributable to shareholders	1,405,927	806,721	367,231	155,962
Weighted average number of shares with Kr1 face value each('000)	18,105,233	18,105,233	18,105,233	18,105,233
Earnings per share	**7.77**	**4.46**	**2.02**	**0.86**

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

NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Exchange Rate Risk

The Group is exposed to foreign exchange risk primarily arising from it's financial assets denominated in foreign currencies and fluctuations in the foreign exchange rates. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. As of 30 September 2022, if both Euro and US dollar currencies would have appreciated against TRY by 20% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro and US dollar would have been TRY 61,342 higher. (31 December 2021: TRY 44,610)

The profit before tax effect can be broken down in terms of currencies in such a way that that the change amounting to TRY 11,893 is due to the change in Euro and the change amounting to TRY 49,449 is due to US dollar.

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

NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	30 September 2022				31 December 2021			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Monetary financial assets	321,291	13,360	3,858	3,897	290,178	2,870	16,623	1,138
Other	164	9	-	-	120	9	-	-
Current assets	**321,455**	**13,369**	**3,858**	**3,897**	**290,298**	**2,879**	**16,623**	**1,138**
Total assets	**321,455**	**13,369**	**3,858**	**3,897**	**290,298**	**2,879**	**16,623**	**1,138**
Financial liabilities	-	-	-	-	341	-	23	-
Trade payables	10,687	9	580	-	-	-	-	-
Current liabilities	**10,687**	**9**	**580**	**-**	**341**	**-**	**23**	**-**
Financial liabilities	-	-	-	-	69,399	-	4,600	-
Non-monetary other liabilities	11,210	-	618	-	8,403	-	557	-
Non-current liabilities	**11,210**	**-**	**618**	**-**	**77,802**	**-**	**5,157**	**-**
Total liabilities	**21,897**	**9**	**1,198**	**-**	**78,143**	**-**	**5,180**	**-**

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NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	30 September 2022				31 December 2021			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Net asset/(liability) position of off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	**299,558**	**13,360**	**2,660**	**3,897**	**212,155**	**2,879**	**11,443**	**1,138**
Net foreign currency asset/(liability) position of monetary items	**310,604**	**13,351**	**3,278**	**3,897**	**220,438**	**2,870**	**12,000**	**1,138**
Fair value hedge funds of foreign currency	333,788	-	18,401	-	-	-	-	
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	223,243	12,055	-	-	233,916	17,549	-	-

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NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analysis as of 30 September 2022 and 31 December 2021 is as follows:

30 September 2022

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	11,893	(11,893)
20% change in US dollar exchange rate		
Euro net asset/liability	49,449	(49,449)
Euro net effect	**61,342**	**(61,342)**

31 December 2021

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	36,208	(36,208)
20% change in US dollar exchange rate		
Euro net asset/liability	8,402	(8,402)
Euro net effect	**44,610**	**(44,610)**

NOTE 22 - FINANCIAL INSTRUMENTS

Fair value estimation

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

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

NOTE 23 - SUBSEQUENT EVENTS

In the Group's material disclosure dated October 4, 2022, published on the Public Disclosure Platform, a new subsidiary was established for the purpose of establishing charging units and stations where electric energy is supplied to electric vehicles, operating the charging network and charging stations and providing charging services in the locations where the Group operates. It has been announced that the necessary applications will be made, including the application for Energy Market Regulatory Authority, for the legal permissions required to provide the said services, and that the founding capital of the new company, which will be a 100% subsidiary of Migros Ticaret A.Ş., will be TRY 4,500 to be paid in cash.

The company in question is "Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş" and was registered by the Istanbul Trade Registry on October 21, 2022.

APPENDIX 1 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE EFFECT OF TFRS 16

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

	30 September 2022	TFRS 16 EFFECT	BEFORE TFRS 16
ASSETS			
Current assets			
Prepaid expenses	265,622	(1,707)	267,329
Total current assets	**17,197,653**	**(1,707)**	**17,199,360**
Non-current assets			
Prepaid expenses	100,519	(33,252)	133,771
Right of use assets	3,718,685	3,718,685	-
Deferred tax assets	344,070	110,705	233,365
Total non-current assets	**11,247,404**	**3,796,138**	**7,451,266**
Total assets	**28,445,057**	**3,794,431**	**24,650,626**
LIABILITIES			
Current liabilities			
Lease liabilities	1,060,749	1,060,749	-
Total current liabilities	**21,252,807**	**1,060,749**	**20,192,058**
Non-current liabilities			
Lease liabilities	3,119,673	3,119,673	-
Total non-current liabilities	**5,160,224**	**3,119,673**	**2,040,551**
Total liabilities	**26,413,031**	**4,180,422**	**22,232,609**
EQUITY			
Attributable to equity holders of parent	**1,986,596**	**(385,991)**	**2,372,587**
Accumulated losses	(772,087)	(280,071)	(492,016)
Net profit for the period	1,405,927	(105,920)	1,511,847
Total equity	**2,032,026**	**(385,991)**	**2,418,017**
TOTAL LIABILITIES AND EQUITY	**28,445,057**	**3,794,431**	**24,650,626**

APPENDIX 1 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE EFFECT OF TFRS 16 (Continued)

	30 September 2022	TFRS 16 EFFECT	BEFORE TFRS 16
PROFIT OR LOSS			
Revenue	50,053,890	-	50,053,890
Cost of sales (-)	(37,509,337)	124,634	(37,633,971)
Gross profit	**12,544,553**	**124,634**	**12,419,919**
General administrative expenses (-)	(643,267)	-	(643,267)
Marketing expenses (-)	(8,333,062)	201,236	(8,534,298)
Other operating income	639,330	-	639,330
Other operating expense (-)	(1,609,694)	56	(1,609,750)
Operating profit	**2,597,860**	**325,926**	**2,271,934**
Income from investing activities	77,534	-	77,534
Loss from investing activities (-)	(3,908)	-	(3,908)
Operating income before finance income	**2,671,486**	**325,926**	**2,345,560**
Financial income	198,406	-	198,406
Financial expense (-)	(1,094,219)	(456,964)	(637,255)
Net profit before tax from continuing operations	**1,775,673**	**(131,038)**	**1,906,711**
Tax expense from continuing operations	**(360,872)**	**25,118**	**(385,990)**
Income tax expense	(437,454)	-	(437,454)
Deferred tax income	76,582	25,118	51,464
Net profit for the period	**1,414,801**	**(105,920)**	**1,520,721**

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