

**MİGROS TİCARET A.Ş.**

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

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**INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS AS OF  
30 JUNE 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 June 2022	31 December 2021
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents		4,491,064	3,632,341
Financial investments		311,589	2,596
Trade receivables		280,777	177,905
-Trade receivables from related parties	19	802	4,067
-Trade receivables from third parties		279,975	173,838
Other receivables		53,534	41,729
-Other receivables from third parties		53,534	41,729
Derivative instruments		11,570	14,611
Inventories	7	7,961,925	4,675,317
Prepaid expenses		236,972	154,988
Other current assets		236,049	4,237
<b>Total current assets</b>		<b>13,583,480</b>	<b>8,703,724</b>
<b>Non-current assets:</b>			
Financial investments		74,134	97,059
Other receivables		10,216	5,530
-Other receivables from third parties		10,216	5,530
Derivative instruments		9,403	8,423
Property, plant and equipment	4	4,067,589	3,750,426
Intangible assets		2,611,693	2,462,011
-Goodwill		2,408,218	2,252,992
-Other intangible assets	5	203,475	209,019
Prepaid expenses		15,107	20,579
Right of use assets	6	3,256,823	2,785,466
Deferred tax assets	17	336,253	267,107
<b>Total non-current assets</b>		<b>10,381,218</b>	<b>9,396,601</b>
<b>Total assets</b>		<b>23,964,698</b>	<b>18,100,325</b>

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

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30 JUNE 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 June 2022	31 December 2021
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short term borrowings		498,495	715,860
-Bank loans	8	498,495	715,860
Short term portion of long term borrowings		1,766,809	1,328,799
-Bank loans	8	843,983	569,464
-Lease liabilities		922,826	759,335
Trade payables		14,227,445	9,581,881
-Trade payables to related parties	19	619,819	312,468
-Trade payables to third parties		13,607,626	9,269,413
Payables related to employee benefits		410,668	291,750
Other payables		80,907	225,021
-Other payables to third parties		80,907	225,021
Deferred income		249,253	214,363
Current tax liabilities	17	190,548	49,285
Short term provisions		536,710	698,608
-Short term provisions for employee benefits	10	400,110	187,690
-Other short term provisions	9	136,600	510,918
Other current liabilities		8,676	3,431
<b>Total current liabilities</b>		<b>17,969,511</b>	<b>13,108,998</b>
<b>Non-current liabilities:</b>			
Long term borrowings		4,305,316	4,035,105
-Bank loans	8	1,557,015	1,685,995
-Lease liabilities		2,748,301	2,349,110
Other payables		27,229	25,877
-Other payables to third parties		27,229	25,877
Deferred income		3,573	10,727
Long term provisions		436,473	383,554
-Long term provisions for employee benefits	10	436,473	383,554
<b>Total non-current liabilities</b>		<b>4,772,591</b>	<b>4,455,263</b>
<b>Total liabilities</b>		<b>22,742,102</b>	<b>17,564,261</b>

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

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

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	Notes	30 June 2022	31 December 2021
<b>EQUITY</b>			
<b>Attributable to equity holders of parent</b>		<b>1,185,977</b>	<b>536,064</b>
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		693,739	715,126
<i>-Defined benefit plans</i>			
<i>re-measurement (losses)</i>		1,118	1,118
<i>-Revaluation fund of property, plant and equipment</i>		692,621	714,008
Other accumulated comprehensive income/expense			
to be classified to profit or loss		55,395	48,990
<i>-Currency translation differences</i>		55,395	48,990
Restricted reserves		526,841	250,582
Accumulated losses		(766,532)	(914,843)
Net income for the period		599,206	358,881
<b>Non-controlling interest</b>		<b>36,619</b>	<b>-</b>
<b>Total equity</b>		<b>1,222,596</b>	<b>536,064</b>
<b>Total liabilities and equity</b>		<b>23,964,698</b>	<b>18,100,325</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE  
INTERIM PERIOD 1 JANUARY - 30 JUNE 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 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Revenue	3, 11	28,234,765	15,963,368	16,104,112	8,415,021
Cost of sales (-)	3, 11	(21,052,398)	(11,915,368)	(12,179,795)	(6,389,865)
<b>Gross Profit</b>		<b>7,182,367</b>	<b>4,048,000</b>	<b>3,924,317</b>	<b>2,025,156</b>
General administrative expenses (-)	12	(391,129)	(203,319)	(193,554)	(94,819)
Marketing expenses (-)	12	(4,943,716)	(2,708,234)	(2,922,047)	(1,516,827)
Other operating income	13	354,229	181,177	190,274	99,283
Other operating expenses (-)	13	(921,109)	(473,725)	(496,518)	(267,822)
<b>Operating profit</b>		<b>1,280,642</b>	<b>843,899</b>	<b>502,472</b>	<b>244,971</b>
Income from investment activities	14	80,374	40,868	213,535	373
Expenses from investment activities (-)	14	(3,903)	(1,015)	(1,613)	(130)
Share of loss of investments accounted for using the equity method		-	(6,784)	-	-
<b>Operating income before financial income</b>		<b>1,357,113</b>	<b>876,968</b>	<b>714,394</b>	<b>245,214</b>
Financial income	15	108,065	75,875	88,384	29,113
Financial expense (-)	16	(706,257)	(375,194)	(551,557)	(264,420)
<b>Net profit before tax from continuing operation</b>		<b>758,921</b>	<b>577,649</b>	<b>251,221</b>	<b>9,907</b>
<b>Tax expense from continuing operations</b>		<b>(156,114)</b>	<b>(133,429)</b>	<b>(40,630)</b>	<b>(8,148)</b>
Income tax expense (-)	17	(225,652)	(163,132)	(93,845)	(37,226)
Deferred tax income	17	69,538	29,703	53,215	29,078
<b>Continued operation period profit</b>		<b>602,807</b>	<b>444,220</b>	<b>210,591</b>	<b>1,759</b>
<b>Discontinued operations profit for the period</b>		<b>-</b>	<b>-</b>	<b>678</b>	<b>-</b>
<b>Net income for the period</b>		<b>602,807</b>	<b>444,220</b>	<b>211,269</b>	<b>1,759</b>
<b>Net income attributable to:</b>					
- Non-controlling interest		3,601	3,411	-	-
- Equity holders of parent	20	599,206	440,809	211,269	1,759
Profit per share (TRY) from continuing operations	20	3.31	2.43	1.17	0.01

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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE  
INCOME FOR THE INTERIM PERIOD ENDED 1 JANUARY- 30 JUNE 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.)

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
<b>Net profit for the period</b>	<b>602,807</b>	<b>444,220</b>	<b>211,269</b>	<b>1,759</b>
<b>Items that not to be reclassified to profit or loss</b>				
Tangible fixed asset revaluation increases	1,839	1,275	765	299
Tangible fixed asset revaluation increases, tax effect	(368)	(255)	(153)	(60)
<b>Items to be reclassified to profit or loss</b>				
-Currency translation differences	6,405	1,046	(230,327)	(21,047)
<b>Other comprehensive income / (loss), after tax</b>	<b>7,876</b>	<b>2,066</b>	<b>(229,715)</b>	<b>(20,808)</b>
<b>Total comprehensive income</b>	<b>610,683</b>	<b>446,286</b>	<b>(18,446)</b>	<b>(19,049)</b>
<b>Allocation of total comprehensive income / (expense)</b>				
-Non-controlling interests	3,601	3,411	(2,400)	-
-Equity holders of parents	607,082	442,875	(16,046)	(19,049)

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

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

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	Share capital	Other capital reserves	Treasury shares	Additional contribution share capital	Defined benefit plans re-measurement (losses)/gains	Other comprehensive income / expense not to be reclassified to profit or loss Increase/(decrease) of revaluation fund of fixed assets	Other comprehensive income / expense not to be reclassified to profit or loss Currency translation difference	Restricted reserves	Retained earnings		Attributable to equity holder of the parent	Non - controlling interests	Total equity
									Accumulated losses	Net (loss) /income for the period			
<b>Balances at 1 January 2021</b>	<b>181,054</b>	<b>(365)</b>	<b>(125,435)</b>	<b>22,074</b>	<b>(3,042)</b>	<b>409,260</b>	<b>256,000</b>	<b>111,249</b>	<b>(416,750)</b>	<b>(402,984)</b>	<b>31,061</b>	<b>2,400</b>	<b>33,461</b>
Transfers	-	-	-	-	-	(30,177)	(2,751)	139,333	(509,389)	402,984	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612</b>	<b>(227,927)</b>	<b>-</b>	<b>-</b>	<b>211,269</b>	<b>(16,046)</b>	<b>(2,400)</b>	<b>(18,446)</b>
Net income for the period	-	-	-	-	-	-	-	-	-	211,269	211,269	-	211,269
Currency translation differences	-	-	-	-	-	-	(22,184)	-	-	-	(22,184)	-	(22,184)
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	-	-	-	-	-	612	-	-	-	-	612	-	612
<b>Balances at 30 June 2021</b>	<b>181,054</b>	<b>(365)</b>	<b>(125,435)</b>	<b>22,074</b>	<b>(3,042)</b>	<b>379,695</b>	<b>25,322</b>	<b>250,582</b>	<b>(926,139)</b>	<b>211,269</b>	<b>15,015</b>	<b>-</b>	<b>15,015</b>
<b>Balances at 1 January 2022</b>	<b>181,054</b>	<b>(365)</b>	<b>(125,435)</b>	<b>22,074</b>	<b>1,118</b>	<b>714,008</b>	<b>48,990</b>	<b>250,582</b>	<b>(914,843)</b>	<b>358,881</b>	<b>536,064</b>	<b>-</b>	<b>536,064</b>
Transfers	-	-	-	-	-	(22,858)	-	276,259	105,480	(358,881)	-	-	-
Transactions with entities with non-controlling interests (*)	-	-	-	-	-	-	-	-	34,797	-	34,797	33,018	67,815
Other adjustments	-	-	-	-	-	-	-	-	8,034	-	8,034	-	8,034
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,471</b>	<b>6,405</b>	<b>-</b>	<b>-</b>	<b>599,206</b>	<b>607,082</b>	<b>3,601</b>	<b>610,683</b>
Net income for the period	-	-	-	-	-	-	-	-	-	599,206	599,206	3,601	602,807
Currency translation differences	-	-	-	-	-	-	6,405	-	-	-	6,405	-	6,405
Increase of revaluation fund of property, plant and equipment	-	-	-	-	-	1,471	-	-	-	-	1,471	-	1,471
<b>Balances at 30 June 2022</b>	<b>181,054</b>	<b>(365)</b>	<b>(125,435)</b>	<b>22,074</b>	<b>1,118</b>	<b>692,621</b>	<b>55,395</b>	<b>526,841</b>	<b>(766,532)</b>	<b>599,206</b>	<b>1,185,977</b>	<b>36,619</b>	<b>1,222,596</b>

(\*) As of 1 April 2022, the equity effect resulting from Migros Ticaret A.Ş.'s increase in its shareholding in Paket Lojistik ve Teknoloji A.Ş from 25% to 75% in exchange for TRY 104,000.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 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 June 2022	1 January - 30 June 2021
<b>Cash flows from operating activities:</b>			
<b>Net profit for the period</b>		<b>602,807</b>	<b>211,269</b>
Net income from continued operations for the period		602,807	210,591
Net income from discontinued operations for the period		-	678
<b>Adjustments related to reconciliation of net profit for the period</b>		<b>2,256,699</b>	<b>1,225,810</b>
Adjustments for depreciation and amortisation expenses	12	532,113	432,214
Adjustments for impairment on receivables	13	9,582	1,640
Adjustments for inventory provisions	7	61,214	32,024
Adjustments for impairment on property, plant and equipment	14	3,004	1,189
Adjustments for provision for employee benefits	10	320,658	124,497
Adjustments for provision for litigation	13	25,596	21,172
Adjustments for interest income	13, 15	(158,978)	(51,065)
Adjustments for interest expense	16	577,459	474,275
Adjustments for deferred financing due to forward purchases expenses	13	880,164	458,548
Adjustments for unearned finance income from sales	13	(172,318)	(123,426)
Adjustments for unrealized foreign exchange losses related to bank borrowings	8	23,003	37,838
Adjustments for fair value losses/(gains) arising from derivatives	15, 16	2,821	(10,615)
Adjustments for income tax expense	17	156,114	40,630
Loss on sale of property plant and equipment	14	(3,733)	51
Adjustments for (gains) arising from the sale of subsidiaries		-	(213,162)
<b>Changes in net working capital</b>		<b>578,500</b>	<b>(71,295)</b>
Adjustments for increase in trade receivables		(110,416)	(12,480)
Adjustments for increase in inventories		(3,347,822)	(661,215)
Adjustments for increase in other receivables related with operations		(667,002)	(45,454)
Adjustments for increase in trade payables		4,726,384	653,582
Adjustments for increase in other payables related with operations		(22,644)	(5,728)
<b>Cash flows from operating activities</b>		<b>3,438,006</b>	<b>1,365,784</b>
Employee benefits paid	10	(55,319)	(25,479)
Interest received		310,090	168,526
Interest paid		(960,984)	(515,320)
Taxes paid		(78,385)	(46,411)
Other provisions paid	9	(404,016)	(7,749)
<b>Net cash provided by operating activities</b>		<b>2,249,392</b>	<b>939,351</b>

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

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

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	Notes	1 January - 30 June 2022	1 January - 30 June 2021
<b>Investing activities</b>			
Cash outflows from the purchase of tangible and intangible assets		(474,412)	(302,685)
Cash inflows from the sale of subsidiaries		-	374,451
Cash inflows from the sale of tangible and intangible assets		36,400	15,252
Obtaining control of subsidiaries			
cash outflows for purchases		(104,000)	-
<b>Cash flows from investing activities</b>		<b>(542,012)</b>	<b>87,018</b>
<b>Financing activities</b>			
Cash inflows from financial liabilities	8	708,000	300,000
Cash outflows from repayments of borrowings	8	(804,194)	(1,379,891)
Cash outflows from repayment of derivative instruments		(760)	4,852
Interest received	15	19,168	3,033
Interest paid		(300,710)	(234,872)
Cash outflows from payments of lease liabilities		(527,273)	(436,698)
<b>Cash flows from financing activities</b>		<b>(905,769)</b>	<b>(1,743,576)</b>
<b>Effect of foreign currency translation differences on cash and cash equivalents</b>		<b>57,112</b>	<b>(47,110)</b>
Net (decrease) / increase in cash and cash equivalents		858,723	(764,317)
<b>Cash and cash equivalents in the beginning of the period</b>		<b>3,632,341</b>	<b>3,230,793</b>
<b>Cash and cash equivalents in the end of the period</b>		<b>4,491,064</b>	<b>2,466,476</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022**

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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”.

As of 30 June 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 June 2022, the Group operates in 2,681 stores in total (31 December 2021: 2,565) which comprise of 1,699,037 m2 retail area from 2,656 retail stores and 14,269 m2 wholesale area from 25 wholesale stores with a total net space of 1,713,306 m2 (31 December 2021: 1,678,802 m2). As of 30 June 2022, the Group employed 44,281 people (31 December 2021: 40,470). Retail is the main business segment of the Group and constitutes almost 96% 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 9 May 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 regulatory authorities have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

**Subsidiaries:**

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

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	30 June 2022 (%)	31 December 2021 (%)
Ramstore Kazakhstan LLC (“Ramstore Kazakhstan”).	Kazakhstan	Kazakhstan	Shopping center 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 retailing	100.0	100.0

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**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 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.

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).

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

**2.1 Basis of Presentation (Continued)**

**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.

**Severance Pay Provision**

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 impact of the changes on the financial statements of 31 March 2022 was a decrease of TRY 95,235 in provisions for employment termination benefits, a decrease of TRY 9,524 in general administrative expenses, a decrease of TRY 85,712 in marketing expenses and a decrease of TRY 19,047 in deferred tax income.

**2.1.3 Functional and reporting currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group.

**Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income.

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

**a) *Standards, amendments and interpretations applicable as at 30 June 2022:***

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 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 TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

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

**2.2 New and Amended Turkish Financial Reporting Standards (Continued)**

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

- **Amendment to TFRS 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 TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 30 June 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.

**b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2022:**

- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from annual periods beginning on or after 1 January 2022.
  - **Amendments to TFRS 3, 'Business combinations'** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to TAS 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 TAS 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 TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial Instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

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

**2.2 New and Amended Turkish Financial Reporting Standards (Continued)**

- **Amendments to TAS 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 TAS 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 TAS 1 means when it refers to the 'settlement' of a liability.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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 TAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** 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.
- **TFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 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.

**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.

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**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.

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

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

	<b>Turkey</b>	<b>Kazakhstan</b>	<b>Combined total</b>	<b>Intersegment eliminations</b>	<b>Total continued operations</b>	<b>Discounted operations</b>	<b>Total</b>
External revenues	28,205,887	28,878	28,234,765	-	28,234,765	-	28,234,765
Inter segment revenues	742,525	-	742,525	(742,525)	-	-	-
Sales revenue	28,948,412	28,878	28,977,290	(742,525)	28,234,765	-	28,234,765
Cost of sales	(21,605,980)	(7,969)	(21,613,949)	561,551	(21,052,398)	-	(21,052,398)
Gross profit	7,342,432	20,909	7,363,341	(180,974)	7,182,367	-	7,182,367
Marketing expenses	(5,124,690)	-	(5,124,690)	180,974	(4,943,716)	-	(4,943,716)
General administrative expenses	(382,277)	(8,852)	(391,129)	-	(391,129)	-	(391,129)
Addition: Depreciation and amortisation expenses	526,450	5,663	532,113	-	532,113	-	532,113
<b>EBITDA</b>							
<b>(After ETB and unused vacation provisions)</b>	<b>2,361,915</b>	<b>17,720</b>	<b>2,379,635</b>	<b>-</b>	<b>2,379,635</b>	<b>-</b>	<b>2,379,635</b>
Addition: Provision for employment termination benefits	52,919	-	52,919	-	52,919	-	52,919
Addition: Unused vacation pay liability	212,420	-	212,420	-	212,420	-	212,420
<b>EBITDA</b>	<b>2,627,254</b>	<b>17,720</b>	<b>2,644,974</b>	<b>-</b>	<b>2,644,974</b>	<b>-</b>	<b>2,644,974</b>
TFRS 16 effect	(527,273)	-	(527,273)	-	(527,273)	-	(527,273)
<b>EBITDA</b>							
<b>(Excluding TFRS 16 effect)</b>	<b>2,099,981</b>	<b>17,720</b>	<b>2,117,701</b>	<b>-</b>	<b>2,117,701</b>	<b>-</b>	<b>2,117,701</b>
Addition: Rent expenses	1,098,569	-	1,098,569	-	1,098,569	-	1,098,569
<b>EBITDAR</b>	<b>3,198,550</b>	<b>17,720</b>	<b>3,216,270</b>	<b>-</b>	<b>3,216,270</b>	<b>-</b>	<b>3,216,270</b>



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**NOTE 3 - SEGMENT REPORTING (Continued)**

**b) Segment analysis for the period 1 April - 30 June 2022:**

	Turkey	Kazakhstan	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	15,947,183	16,185	15,963,368	-	15,963,368	-	15,963,368
Inter segment revenues	613,606	-	613,606	(613,606)	-	-	-
Sales revenue	16,560,789	16,185	16,576,974	(613,606)	15,963,368	-	15,963,368
Cost of sales	(12,343,805)	(4,195)	(12,348,000)	432,632	(11,915,368)	-	(11,915,368)
Gross profit	4,216,984	11,990	4,228,974	(180,974)	4,048,000	-	4,048,000
Marketing expenses	(2,889,208)	-	(2,889,208)	180,974	(2,708,234)	-	(2,708,234)
General administrative expenses	(198,580)	(4,739)	(203,319)	-	(203,319)	-	(203,319)
Addition: Depreciation and amortisation expenses	276,681	2,886	279,567	-	279,567	-	279,567
<b>EBITDA</b>							
<b>(After ETB and unused vacation provisions)</b>	<b>1,405,877</b>	<b>10,137</b>	<b>1,416,014</b>	<b>-</b>	<b>1,416,014</b>	<b>-</b>	<b>1,416,014</b>
Addition: Provision for employment termination benefits	28,184	-	28,184	-	28,184	-	28,184
Addition: Unused vacation pay liability	125,971	-	125,971	-	125,971	-	125,971
<b>EBITDA</b>	<b>1,560,032</b>	<b>10,137</b>	<b>1,570,169</b>	<b>-</b>	<b>1,570,169</b>	<b>-</b>	<b>1,570,169</b>
TFRS 16 effect	(272,864)	-	(272,864)	-	(272,864)	-	(272,864)
<b>EBITDA</b>							
<b>(Excluding TFRS 16 effect)</b>	<b>1,287,168</b>	<b>10,137</b>	<b>1,297,305</b>	<b>-</b>	<b>1,297,305</b>	<b>-</b>	<b>1,297,305</b>
Addition: Rent expenses	600,583	-	600,583	-	600,583	-	600,583
<b>EBITDAR</b>	<b>1,887,751</b>	<b>10,137</b>	<b>1,897,888</b>	<b>-</b>	<b>1,897,888</b>	<b>-</b>	<b>1,897,888</b>

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**NOTE 3 - SEGMENT REPORTING (Continued)**

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

	<b>Turkey</b>	<b>Kazakhstan</b>	<b>Combined total</b>	<b>Intersegment eliminations</b>	<b>Total continued operations</b>	<b>Discounted operations</b>	<b>Total</b>
External revenues	16,090,057	14,055	16,104,112	-	16,104,112	60,704	16,164,816
Inter segment revenues	1,228	-	1,228	(1,228)	-	-	-
Sales revenue	16,091,285	14,055	16,105,340	(1,228)	16,104,112	60,704	16,164,816
Cost of sales	(12,176,595)	(4,428)	(12,181,023)	1,228	(12,179,795)	(44,333)	(12,224,128)
Gross profit	3,914,690	9,627	3,924,317	-	3,924,317	16,371	3,940,688
Marketing expenses	(2,922,047)	-	(2,922,047)	-	(2,922,047)	(13,462)	(2,935,509)
General administrative expenses	(185,848)	(7,706)	(193,554)	-	(193,554)	(1,871)	(195,425)
Addition: Depreciation and amortisation expenses	429,229	2,985	432,214	-	432,214	2,607	434,821
<b>EBITDA (After ETB and unused vacation provisions)</b>	<b>1,236,024</b>	<b>4,906</b>	<b>1,240,930</b>	<b>-</b>	<b>1,240,930</b>	<b>3,645</b>	<b>1,244,575</b>
Addition: Provision for employment termination benefits	58,223	-	58,223	-	58,223	-	58,223
Addition: Unused vacation pay liability	40,795	-	40,795	-	40,795	-	40,795
<b>EBITDA</b>	<b>1,335,042</b>	<b>4,906</b>	<b>1,339,948</b>	<b>-</b>	<b>1,339,948</b>	<b>3,645</b>	<b>1,343,593</b>
TFRS 16 effect	(436,698)	-	(436,698)	-	(436,698)	-	(436,698)
<b>EBITDA (Excluding TFRS 16 Effect)</b>	<b>898,344</b>	<b>4,906</b>	<b>903,250</b>	<b>-</b>	<b>903,250</b>	<b>3,645</b>	<b>906,895</b>
Addition: Rent expenses	729,576	2	729,578	-	729,578	2,805	732,383
<b>EBITDAR</b>	<b>1,627,920</b>	<b>4,908</b>	<b>1,632,828</b>	<b>-</b>	<b>1,632,828</b>	<b>6,450</b>	<b>1,639,278</b>

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**NOTE 3 - SEGMENT REPORTING (Continued)**

**d) Segment analysis for the period 1 April - 30 June 2021:**

	Turkey	Kazakhstan	Combined total	Intersegment eliminations	Total continued operations	Discounted operations	Total
External revenues	8,407,492	7,529	8,415,021	-	8,415,021	-	8,415,021
Inter segment revenues	753	-	753	(753)	-	-	-
Sales revenue	8,408,245	7,529	8,415,774	(753)	8,415,021	-	8,415,021
Cost of sales	(6,388,146)	(2,472)	(6,390,618)	753	(6,389,865)	-	(6,389,865)
Gross profit	2,020,099	5,057	2,025,156	-	2,025,156	-	2,025,156
Marketing expenses	(1,516,827)	-	(1,516,827)	-	(1,516,827)	-	(1,516,827)
General administrative expenses	(90,985)	(3,834)	(94,819)	-	(94,819)	-	(94,819)
Addition: Depreciation and amortisation expenses	220,724	1,519	222,243	-	222,243	-	222,243
<b>EBITDA (After ETB and unused vacation provisions)</b>	<b>633,011</b>	<b>2,742</b>	<b>635,753</b>	<b>-</b>	<b>635,753</b>	<b>-</b>	<b>635,753</b>
Addition: Provision for employment termination benefits	20,758	-	20,758	-	20,758	-	20,758
Addition: Unused vacation pay liability	13,490	-	13,490	-	13,490	-	13,490
<b>EBITDA</b>	<b>667,259</b>	<b>2,742</b>	<b>670,001</b>	<b>-</b>	<b>670,001</b>	<b>-</b>	<b>670,001</b>
TFRS 16 effect	(224,158)	-	(224,158)	-	(224,158)	-	(224,158)
<b>EBITDA (Excluding TFRS 16 Effect)</b>	<b>443,101</b>	<b>2,742</b>	<b>445,843</b>	<b>-</b>	<b>445,843</b>	<b>-</b>	<b>445,843</b>
Addition: Rent expenses	379,943	2	379,945	-	379,945	-	379,945
<b>EBITDAR</b>	<b>823,044</b>	<b>2,744</b>	<b>825,788</b>	<b>-</b>	<b>825,788</b>	<b>-</b>	<b>825,788</b>

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
EBITDAR reported segments	3,216,270	1,897,888	1,632,828	825,788
Rent expenses	(1,098,569)	(600,583)	(729,578)	(379,945)
The effect of new and revised standards	527,273	272,864	436,698	224,158
<b>EBITDA reported segments</b>	<b>2,644,974</b>	<b>1,570,169</b>	<b>1,339,948</b>	<b>670,001</b>
Depreciation and amortisation	(532,113)	(279,567)	(432,214)	(222,243)
Provision for employee termination benefits	(52,919)	(28,184)	(58,223)	(20,758)
Provision for unused vacation liability	(212,420)	(125,971)	(40,795)	(13,490)
Other operating income	354,229	181,177	190,274	99,283
Other operating expense (-)	(921,109)	(473,725)	(496,518)	(267,822)
<b>Operating profit</b>	<b>1,280,642</b>	<b>843,899</b>	<b>502,472</b>	<b>244,971</b>
Income from investing activities	80,374	40,868	213,535	373
Expense from investing activities (-)	(3,903)	(1,015)	(1,613)	(130)
Share of loss of investments accounted for using the equity method	-	(6,784)	-	-
<b>Operating profit before finance income/(expense)</b>	<b>1,357,113</b>	<b>876,968</b>	<b>714,394</b>	<b>245,214</b>
Financial income	108,065	67,905	88,384	29,113
Financial expense (-)	(706,257)	(367,224)	(551,557)	(264,420)
<b>Income before tax</b>	<b>758,921</b>	<b>577,649</b>	<b>251,221</b>	<b>9,907</b>

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**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT**

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

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

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

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

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**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	<b>1 January 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Impairment loss (*)</b>	<b>Transfers</b>	<b>Currency translation differences</b>	<b>30 June 2021</b>
<b>Cost</b>							
Lands	590,907	-	-	-	-	48	590,955
Buildings	566,295	1,132	-	-	-	10,802	578,229
Leasehold improvements	961,105	34,010	(497)	(5,325)	35,942	-	1,025,235
Machinery and equipments	1,450,494	75,772	(23,599)	-	77,931	3,210	1,583,808
Motor vehicles	9,745	3,125	(644)	-	-	-	12,226
Furniture and fixtures	887,016	29,523	(13,835)	-	10,203	1,453	914,360
Construction in progress	116,491	109,697	-	-	(124,076)	-	102,112
	<b>4,582,053</b>	<b>253,259</b>	<b>(38,575)</b>	<b>(5,325)</b>	<b>-</b>	<b>15,513</b>	<b>4,806,925</b>
<b>Accumulated depreciation</b>							
Buildings	(41,710)	(8,784)	-	-	-	(407)	(50,901)
Leasehold improvements	(511,194)	(40,632)	388	4,136	-	-	(547,302)
Machinery and equipments	(743,695)	(61,013)	21,689	-	150	(3,660)	(786,529)
Motor vehicles	(3,385)	(1,129)	582	-	-	-	(3,932)
Furniture and fixture	(509,325)	(27,270)	12,734	-	-	(6,428)	(530,289)
	<b>(1,809,309)</b>	<b>(138,828)</b>	<b>35,393</b>	<b>4,136</b>	<b>150</b>	<b>(10,495)</b>	<b>(1,918,953)</b>
<b>Net book value</b>	<b>2,772,744</b>						<b>2,887,972</b>

(\*) Impairment loss amounting to TRY 1,189 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 June 2022 is as follows;

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

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

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**NOTE 5 - INTANGIBLE ASSETS (Continued)**

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

	<b>1 January 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency translation differences</b>	<b>30 June 2021</b>
<b>Cost</b>						
Trademark	2,787	-	-	-	-	2,787
Rent agreements	39,131	-	-	-	-	39,131
Rights	470,376	49,426	(4,312)	-	46	515,536
Other intangible assets	170,167	-	-	-	-	170,167
	<b>682,461</b>	<b>49,426</b>	<b>(4,312)</b>	<b>-</b>	<b>46</b>	<b>727,621</b>
<b>Accumulated amortisation</b>						
Rent agreements	(36,176)	(478)	-	-	-	(36,654)
Rights	(340,426)	(30,213)	4,080	(150)	(444)	(367,153)
Other intangible assets	(119,180)	(575)	-	-	-	(119,755)
	<b>(495,782)</b>	<b>(31,266)</b>	<b>4,080</b>	<b>(150)</b>	<b>(444)</b>	<b>(523,562)</b>
<b>Net defter değeri</b>	<b>186,679</b>					<b>204,059</b>

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

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**NOTE 6 - RIGHT OF USE ASSETS**

For 30 June 2022 and 2021, movement on right of use assets is as follows:

<b>Cost</b>	<b>1 January 2022</b>	<b>Additions (*)</b>	<b>30 June 2022</b>
Buildings	4,264,990	791,306	5,056,296
	<b>4,264,990</b>	<b>791,306</b>	<b>5,056,296</b>
<b>Accumulated Amortisation</b>			
Buildings	(1,479,524)	(319,949)	(1,799,473)
	<b>(1,479,524)</b>	<b>(319,949)</b>	<b>(1,799,473)</b>
<b>Net book value</b>	<b>2,785,466</b>		<b>3,256,823</b>

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

<b>Cost</b>	<b>1 January 2021</b>	<b>Additions</b>	<b>30 June 2021</b>
Buildings	3,756,145	192,966	3,949,111
	<b>3,756,145</b>	<b>192,966</b>	<b>3,949,111</b>
<b>Accumulated Amortisation</b>			
Buildings	(966,401)	(262,120)	(1,228,521)
	<b>(966,401)</b>	<b>(262,120)</b>	<b>(1,228,521)</b>
<b>Net book value</b>	<b>2,789,744</b>		<b>2,720,590</b>

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



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**NOTE 7 - INVENTORIES**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Finished goods and commodities	7,968,896	4,731,014
Work in progress	114,934	54,928
Raw materials	65,228	29,399
Other	26,483	12,378
Less: Provision for net realizable value	(213,616)	(152,402)
	<b>7,961,925</b>	<b>4,675,317</b>

**NOTE 8 - FINANCIAL LIABILITIES**

		<b>30 June 2022</b>	
	<b>Effective interest rate (%)</b>	<b>In original currency</b>	<b>Total TRY equivalent</b>
<b>Short term borrowings</b>			
Fixed interest rate - TRY	17.11	200,619	200,619
Floating interest rate - TRY	18.33	297,876	297,876
<b>Total short term borrowings</b>			<b>498,495</b>
<b>Current portion of long term borrowings</b>			
Fixed interest rate - TRY	18.54	786,484	786,484
Kazakhstan loan - Tenge	13.97	1,600,777	57,499
<b>Total current portion of long term borrowings</b>			<b>843,983</b>
<b>Total short term borrowings</b>			<b>1,342,478</b>
<b>Long term borrowings</b>			
Fixed interest rate - TRY	18.30	1,497,464	1,497,464
Kazakhstan loan - Tenge	13.97	1,657,898	59,551
<b>Total long term borrowings</b>			<b>1,557,015</b>
<b>Total financial liabilities</b>			<b>2,899,493</b>

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

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

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
1 July 2022 - 30 June 2023	57,499	-	1,284,979	1,342,478
1 July 2023 - 30 June 2024	32,264	-	738,222	770,486
1 July 2024 - 30 June 2025	24,212	-	421,864	446,076
1 July 2025 - 30 June 2026	3,075	-	224,767	227,842
1 July 2026 - 14 December 2026	-	-	112,611	112,611
	<b>117,050</b>	<b>-</b>	<b>2,782,443</b>	<b>2,899,493</b>

The fair value of borrowings at 30 June 2022 is TRY 2,886,549.

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

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
1 July 2022 - 30 June 2023	43,808	-	945,609	989,417
1 July 2023 - 30 June 2024	38,219	-	698,337	736,556
1 July 2024 - 30 June 2025	24,212	-	476,436	500,648
1 July 2025 - 30 June 2026	3,075	-	341,023	344,098
1 July 2026 - 14 December 2026	-	-	235,408	235,408
	<b>109,314</b>	<b>-</b>	<b>2,696,813</b>	<b>2,806,127</b>

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

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
1 July 2022 - 30 June 2023	53,847	-	1,416,703	1,470,550
1 July 2023 - 30 June 2024	48,943	-	1,004,064	1,053,007
1 July 2024 - 30 June 2025	33,427	-	641,346	674,773
1 July 2025 - 30 June 2026	6,482	-	418,557	425,039
1 July 2026 - 14 December 2026	-	-	122,270	122,270
	<b>142,699</b>	<b>-</b>	<b>3,602,940</b>	<b>3,745,639</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 30 June 2022 are in line with the provisions of the bank loan agreement.

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

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

		<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
<b>Beginning balance</b>		<b>2,971,319</b>	<b>3,837,750</b>
Proceeds of borrowings		708,000	300,000
Payments (-)		(804,194)	(1,379,891)
Foreign exchange losses		23,003	37,838
Interest accrual		(15,208)	5,807
Change due to subsidiary sale		-	41,628
Change due to subsidiary purchase		16,573	-
<b>Ending balance</b>		<b>2,899,493</b>	<b>2,843,132</b>
		<b>31 December 2021</b>	
	<b>Effective interest rate (%)</b>	<b>In original currency</b>	<b>Total TRY equivalent</b>
<b>Short term borrowings</b>			
Fixed interest rate - TRY	17.87	459,096	459,096
Floating interest rate - TRY	17.87	256,764	256,764
<b>Total short term borrowings</b>			<b>715,860</b>
<b>Current portion of long term borrowings</b>			
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
<b>Total current portion of long term borrowings</b>			<b>569,464</b>
<b>Total short term borrowings</b>			<b>1,285,324</b>
<b>Long term borrowings</b>			
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
<b>Total long term borrowings</b>			<b>1,685,995</b>
<b>Total financial liabilities</b>			<b>2,971,319</b>

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

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

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
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 - 31 December 2026	-	-	54,155	54,155
	<b>108,353</b>	<b>69,740</b>	<b>2,793,226</b>	<b>2,971,319</b>

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:

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
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 - 31 December 2026	-	-	111,408	111,408
	<b>107,398</b>	<b>69,399</b>	<b>2,709,116</b>	<b>2,885,913</b>

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

	<b>Tenge loan TRY equivalent</b>	<b>Euro loan TRY equivalent</b>	<b>TRY Loan</b>	<b>Total (TRY equivalent)</b>
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 - 31 December 2026	-	-	132,604	132,604
	<b>126,077</b>	<b>75,645</b>	<b>3,655,242</b>	<b>3,856,964</b>

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**NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**

<b>Short-term provisions</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Provision for litigation	131,372	121,537
Provision for customer loyalty programs	5,228	1,127
Competition board penalty (*)	-	388,254
	<b>136,600</b>	<b>510,918</b>

(\*) With the Competition Board's resolution dated 28.10.2021 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:

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
<b>Beginning balance</b>	<b>121,537</b>	<b>94,561</b>
Increase during period	25,596	21,172
Payments (-)	(15,761)	(7,749)
<b>Ending balance</b>	<b>131,372</b>	<b>107,984</b>

**Collaterals, Pledges, Mortgages**

**30 June 2022:**

	<b>Total TRY equivalent</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
A. CPM given on behalf of the Company's legal personality	293,230	282,036	651	20
B. CPM given on behalf of fully consolidated subsidiaries	37,155	-	2,230	-
<b>Total collaterals, pledges and mortgages</b>	<b>330,385</b>	<b>282,036</b>	<b>2,881</b>	<b>20</b>
<b>Proportion of the other CPM's to equity (%)</b>	<b>-</b>			

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

**31 December 2021:**

	<b>Total TRY equivalent</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
A. CPM given on behalf of the Company's legal personality	231,077	222,403	651	-
B. CPM given on behalf of fully consolidated subsidiaries	144,788	-	5,656	4,600
<b>Total collaterals, pledges and mortgages</b>	<b>375,865</b>	<b>222,403</b>	<b>6,307</b>	<b>4,600</b>
<b>Proportion of the other CPM's to equity (%)</b>	<b>-</b>			

**Contingent assets and liabilities**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Letter of guarantees given	330,385	375,865
	<b>330,385</b>	<b>375,865</b>

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Guarantees obtained from customers	349,216	279,196
Mortgages obtained from customers	23,913	21,280
	<b>373,129</b>	<b>300,476</b>

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**NOTE 10 - EMPLOYEE BENEFITS**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Provision for employment termination benefits	436,473	383,554
Provision for unused vacation	400,110	187,690
	<b>836,583</b>	<b>571,244</b>

Movement of provision for unused vacation for the periods ended in 30 June 2022 and 2021 is as follows:

	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Beginning balance</b>	<b>187,690</b>	<b>158,126</b>
Increase during period	222,711	45,084
Payments during period (-)	(10,291)	(4,289)
<b>Ending balance</b>	<b>400,110</b>	<b>198,921</b>

Movement of provision for employee termination benefits for the periods ended in 30 June 2022 and 2021 is as follows:

	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Beginning balance</b>	<b>383,554</b>	<b>257,690</b>
Provision during period	97,947	79,413
Payments during period (-)	(45,028)	(21,190)
<b>Ending balance</b>	<b>436,473</b>	<b>315,913</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 10 - EMPLOYEE BENEFITS (Continued)**

In the interim condensed consolidated financial statements as of 30 June 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.

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**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Domestic sales	28,699,977	16,223,596	16,378,603	8,572,249
Foreign sales	27,525	16,102	13,337	7,483
Other sales	30,106	15,276	22,019	11,174
<b>Gross sales</b>	<b>28,757,608</b>	<b>16,254,974</b>	<b>16,413,959</b>	<b>8,590,906</b>
Discounts and returns (-)	(522,843)	(291,606)	(309,847)	(175,885)
<b>Sales revenue, net</b>	<b>28,234,765</b>	<b>15,963,368</b>	<b>16,104,112</b>	<b>8,415,021</b>
Cost of sales (-)	(21,052,398)	(11,915,368)	(12,179,795)	(6,389,865)
<b>Gross profit</b>	<b>7,182,367</b>	<b>4,048,000</b>	<b>3,924,317</b>	<b>2,025,156</b>

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

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Retail sales revenue	27,502,570	15,555,986	15,898,191	8,355,104
Wholesale revenue	1,057,042	588,302	417,170	185,705
Rent income	167,890	95,410	76,579	38,923
	<b>28,727,502</b>	<b>16,239,698</b>	<b>16,391,940</b>	<b>8,579,732</b>



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**NOTE 12 - EXPENSE BY NATURE**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
<b>Total</b>				
Personnel expenses	2,644,185	1,425,092	1,569,478	802,612
Rent and common area	689,356	390,677	369,020	194,604
Depreciation and amortisation	532,113	279,567	432,214	222,243
Energy	524,862	286,797	182,925	96,832
Porterage and cleaning	177,531	94,286	114,401	60,379
Information technology maintenance	176,174	84,120	93,177	52,123
Advertising	157,877	85,544	127,630	64,227
Repair and maintenance	76,781	43,261	44,959	24,122
Security	48,738	25,525	36,407	18,556
Taxes and other fees	22,694	12,258	16,277	9,106
Communication	14,652	7,770	10,277	4,527
Other	269,882	176,656	118,836	62,315
	<b>5,334,845</b>	<b>2,911,553</b>	<b>3,115,601</b>	<b>1,611,646</b>
<b>Marketing expenses</b>				
	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Personnel expenses	2,335,476	1,266,720	1,414,219	726,898
Rent and common area	680,139	384,977	362,443	191,224
Depreciation and amortisation	532,113	279,567	432,214	222,243
Energy	522,475	285,628	181,622	96,210
Porterage and cleaning	172,869	91,797	111,430	58,968
Information technology maintenance	166,426	78,610	87,755	48,899
Advertising	157,817	85,484	127,626	64,223
Repair and maintenance	75,258	42,254	43,995	23,645
Security	46,949	24,574	35,241	17,969
Taxes and other fees	21,151	11,531	15,092	8,456
Communication	13,117	7,060	9,058	3,816
Other	219,926	150,032	101,352	54,276
	<b>4,943,716</b>	<b>2,708,234</b>	<b>2,922,047</b>	<b>1,516,827</b>
<b>General administrative expenses</b>				
	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Personnel expenses	308,709	158,372	155,259	75,714
Other	82,420	44,947	38,295	19,105
	<b>391,129</b>	<b>203,319</b>	<b>193,554</b>	<b>94,819</b>

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**NOTE 12 - EXPENSE BY NATURE (Continued)**

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

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Cost of goods sold	(21,012,771)	(11,892,250)	(12,162,540)	(6,380,777)
Cost of service rendered	(39,627)	(23,118)	(17,255)	(9,088)
	<b>(21,052,398)</b>	<b>(11,915,368)</b>	<b>(12,179,795)</b>	<b>(6,389,865)</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 13 - OTHER OPERATING INCOME AND EXPENSES**

**Other operating income**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Interest income on term sales	172,318	96,873	123,426	66,214
Interest income from operating activities	139,810	69,145	48,032	20,834
Other	42,101	15,159	18,816	12,235
	<b>354,229</b>	<b>181,177</b>	<b>190,274</b>	<b>99,283</b>

**Other operating expenses**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Interest expense on term purchases(*)	(880,164)	(451,951)	(458,548)	(258,995)
Litigation provision	(25,596)	(15,931)	(21,172)	(7,268)
Bad debt provision expense	(9,582)	(890)	(1,640)	(1,377)
Other	(5,767)	(4,953)	(15,158)	(182)
	<b>(921,109)</b>	<b>(473,725)</b>	<b>(496,518)</b>	<b>(267,822)</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 2022 is (19.6%) ; 2021 (22.4%)

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**NOTE 14 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

**Income from investing activities**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Subsidiary fair value gain	48,250	48,250	-	-
Currency protected deposit income	27,492	(12,014)	-	-
Gain on sale of property, plant and equipment	4,632	4,632	373	373
Subsidiary sales profit (*)	-	-	213,162	-
	<b>80,374</b>	<b>40,868</b>	<b>213,535</b>	<b>373</b>

(\*) 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**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Losses from leasehold improvements of closed stores (Note 4)	(3,004)	(116)	(1,189)	(130)
Losses on sale of property, plant and equipment	(899)	(899)	(424)	-
	<b>(3,903)</b>	<b>(1,015)</b>	<b>(1,613)</b>	<b>(130)</b>

**NOTE 15 - FINANCIAL INCOME**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Foreign exchange gains	86,880	56,149	70,655	29,246
Interest income on bank deposits	19,168	18,801	3,033	139
Financial income on derivatives	2,017	925	14,696	(272)
	<b>108,065</b>	<b>75,875</b>	<b>88,384</b>	<b>29,113</b>

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**NOTE 16 - FINANCIAL EXPENSES**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Interest expense on bank borrowings	(289,253)	(143,644)	(245,715)	(109,364)
Interest expense on lease liabilities	(288,206)	(151,309)	(228,560)	(112,991)
Foreign exchange losses	(31,244)	(17,083)	(36,479)	(12,120)
Financial expense on derivatives	(4,838)	3,839	(4,081)	(392)
Other	(92,716)	(66,997)	(36,722)	(29,553)
	<b>(706,257)</b>	<b>(375,194)</b>	<b>(551,557)</b>	<b>(264,420)</b>

**NOTE 17 - TAX ASSETS AND LIABILITIES**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Corporate and income taxes payable	219,648	185,780
Less: Prepaid current income taxes	(29,100)	(136,495)
<b>Taxes on income</b>	<b>190,548</b>	<b>49,285</b>

	<b>30 June 2022</b>	<b>31 December 2021</b>
Deferred tax assets	427,491	312,225
Deferred tax liabilities	(91,238)	(45,118)
<b>Deferred tax assets, net</b>	<b>336,253</b>	<b>267,107</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 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 June 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 taxation on income for the periods ended 30 June 2022 and 30 June 2021 are as follows:

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Current period income tax expense	(225,652)	(163,132)	(93,845)	(37,226)
Deferred tax income	69,538	29,703	53,215	29,078
<b>Current period tax expense</b>	<b>(156,114)</b>	<b>(133,429)</b>	<b>(40,630)</b>	<b>(8,148)</b>

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

	<b>Cumulative temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Deferred tax assets:</b>				
Inventories	516,766	358,208	118,856	82,388
Short term provisions	487,622	275,202	112,153	63,296
TFRS 16 effect	439,774	372,117	101,148	85,587
Provision for employee termination benefits	436,473	383,554	87,295	76,711
Finance income not accrued from future sales	3,167	1,129	728	260
Other	31,858	17,393	7,311	3,983
<b>Deferred tax assets</b>	<b>1,915,660</b>	<b>1,407,603</b>	<b>427,491</b>	<b>312,225</b>
<b>Deferred tax liabilities:</b>				
Finance expense not accrued from future sales	(313,126)	(232,093)	(72,019)	(53,381)
Property, plant and equipment and intangible assets	(45,877)	121,966	(9,699)	18,633
Fair value change of derivative financial instruments	(20,973)	(23,035)	(4,824)	(5,298)
Other	(23,481)	(23,481)	(4,696)	(5,072)
<b>Deferred tax liabilities</b>	<b>(403,457)</b>	<b>(156,643)</b>	<b>(91,238)</b>	<b>(45,118)</b>
<b>Total deferred tax assets, net</b>	<b>1,512,203</b>	<b>1,250,960</b>	<b>336,253</b>	<b>267,107</b>

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**NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)**

Movements of deferred tax assets and liabilities are as follows:

	<b>1 January - 30 June 2022</b>	<b>1 January - 30 June 2021</b>
<b>Opening balance</b>	<b>267,107</b>	<b>(13,005)</b>
Deferred tax income from continuing operations	69,538	53,215
Charged to equity	(368)	(153)
Currency translation difference	(24)	977
<b>Closing balance</b>	<b>336,253</b>	<b>41,034</b>

**NOTE 18 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

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

	<b>30 June 2022</b>		<b>31 December 2021</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 48,998, corresponding to Kipa shares with a total nominal value of TRY 2,962 which were converted to Migros shares due to the merger were purchased by Migros with a total amount of TRY 125,435 within the scope of separation funds.

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**NOTE 19 – RELATED PARTY DISCLOSURES**

**a) Balances with related parties**

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

<b>Trade receivables from related parties</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.	333	699
Anadolu Sağlık Merkezi İktisadi İşletmesi	302	64
AG Anadolu Gubu Holding A.Ş.	111	32
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	24	31
Anadolu Motor Üretim ve Pazarlama A.Ş.	30	117
Mimeda Medya Platform A.Ş.	-	3.000
Diğer	2	124
	<b>802</b>	<b>4,067</b>

<b>Trade payables to related parties</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	353,501	175,214
Coca Cola Satış ve Dağıtım A.Ş.	255,211	112,804
Adel Kalemcilik Ticaret ve San. A.Ş.	5,876	16,170
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	3,020	8,028
AEH Sigorta Acenteliği A.Ş.	1,807	104
Other	404	148
	<b>619,819</b>	<b>312,468</b>

**b) Transactions with related parties**

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

<b>Inventory purchases</b>	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Efes Paz. ve Dağıtım Ticaret A.Ş.	479,413	298,427	265,510	141,471
Coca Cola Satış ve Dağıtım A.Ş.	444,747	281,930	211,772	124,823
Adel Kalemcilik Ticaret ve San. A.Ş.	4,724	736	957	240
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	10,818	4,458	22,818	9,091
	<b>939,702</b>	<b>585,551</b>	<b>501,057</b>	<b>275,625</b>

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(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)**

**Other transactions**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Rent revenue	1,725	1,725	310	188
Rent expenses	(1,785)	(175)	(3,268)	(1,772)
Other income	738	448	279	164
<b>Other transactions, net</b>	<b>678</b>	<b>1,998</b>	<b>(2,679)</b>	<b>(1,420)</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 30 June 2022 and 30 June 2021 is as follows:

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Short term benefits	35,875	18,034	28,315	14,732
	<b>35,875</b>	<b>18,034</b>	<b>28,315</b>	<b>14,732</b>

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

**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.

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Net profit attributable to shareholders	599,206	440,809	211,269	1,759
Weighted average number of shares with Kr1 face value each('000)	18,105,233	18,105,233	18,105,233	18,105,233
<b>Earnings per share</b>	<b>3.31</b>	<b>2.43</b>	<b>1.17</b>	<b>0.01</b>

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



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**NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION**

**Exchange Rate Risk**

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. At 30 June 2022, 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 8,088.

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

	FOREIGN CURRENCY POSITION							
	30 June 2022				31 December 2021			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Monetary financial assets	152,066	6,525	2,328	2,913	290,178	2,870	16,623	1,138
Other	150	9	-	-	120	9	-	-
<b>Current assets</b>	<b>152,216</b>	<b>6,534</b>	<b>2,328</b>	<b>2,913</b>	<b>290,298</b>	<b>2,879</b>	<b>16,623</b>	<b>1,138</b>
<b>Total assets</b>	<b>152,216</b>	<b>6,534</b>	<b>2,328</b>	<b>2,913</b>	<b>290,298</b>	<b>2,879</b>	<b>16,623</b>	<b>1,138</b>
Financial liabilities	-	-	-	-	341	-	23	-
<b>Current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341</b>	<b>-</b>	<b>23</b>	<b>-</b>
Financial liabilities	-	-	-	-	69,399	-	4,600	-
Non-monetary other liabilities	10,162	-	585	-	8,403	-	557	-
<b>Non-current liabilities</b>	<b>10,162</b>	<b>-</b>	<b>585</b>	<b>-</b>	<b>77,802</b>	<b>-</b>	<b>5,157</b>	<b>-</b>
<b>Total liabilities</b>	<b>10,162</b>	<b>-</b>	<b>585</b>	<b>-</b>	<b>78,143</b>	<b>-</b>	<b>5,180</b>	<b>-</b>

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

	FOREIGN CURRENCY POSITION							
	30 June 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	-	-	-	-	-	-	-	-
<b>Net foreign currency asset/(liability) position</b>	<b>142,054</b>	<b>6,534</b>	<b>1,743</b>	<b>2,913</b>	<b>212,155</b>	<b>2,879</b>	<b>11,443</b>	<b>1,138</b>
<b>Net foreign currency asset/(liability) position of monetary items</b>	<b>152,066</b>	<b>6,525</b>	<b>2,328</b>	<b>2,913</b>	<b>220,438</b>	<b>2,870</b>	<b>12,000</b>	<b>1,138</b>
Fair value hedge funds of foreign currency	304,920	-	17,554	-	-	-	-	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	174,162	10,453	-	-	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 June 2022 and 31 December 2021 is as follows:

**30 June 2022**

	<b>Gain/Loss</b>	
	<b>Foreign exchange appreciation</b>	<b>Foreign exchange depreciation</b>
20% change in Euro exchange rate		
Euro net asset/liability	8,088	(8,088)
<b>Euro net effect</b>	<b>8,088</b>	<b>(8,088)</b>

**31 December 2021**

	<b>Gain/Loss</b>	
	<b>Foreign exchange appreciation</b>	<b>Foreign exchange depreciation</b>
20% change in Euro exchange rate		
Euro net asset/liability	36,208	(36,208)
<b>Euro net effect</b>	<b>36,208</b>	<b>(36,208)</b>

**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 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 23 - SUBSEQUENT EVENTS**

None.

# **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:

	<b>30 June 2022</b>	<b>TFRS 16 EFFECT</b>	<b>BEFORE TFRS 16</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Prepaid expenses	236,972	3,600	233,372
<b>Total current assets</b>	<b>13,583,480</b>	<b>3,600</b>	<b>13,579,880</b>
<b>Non-current assets:</b>			
Prepaid expenses	15,107	(33,252)	48,359
Right of use assets	3,256,823	3,256,823	-
Deferred tax assets	336,253	101,148	235,105
<b>Total non-current assets</b>	<b>10,381,218</b>	<b>3,324,719</b>	<b>7,056,499</b>
<b>Total assets</b>	<b>23,964,698</b>	<b>3,328,319</b>	<b>20,636,379</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Lease liabilities	922,826	922,826	-
<b>Total current liabilities</b>	<b>17,969,511</b>	<b>922,826</b>	<b>17,046,685</b>
<b>Non-current liabilities</b>			
Lease liabilities	2,748,301	2,748,301	-
<b>Total non-current liabilities</b>	<b>4,772,591</b>	<b>2,748,301</b>	<b>2,024,290</b>
<b>Total liabilities</b>	<b>22,742,102</b>	<b>3,671,127</b>	<b>19,070,975</b>
<b>EQUITY</b>			
<b>Attributable to equity holders of parent</b>	<b>1,185,977</b>	<b>(342,808)</b>	<b>1,528,785</b>
Accumulated losses	(766,532)	(280,071)	(486,461)
Net profit for the period	599,206	(62,737)	661,943
<b>Total equity</b>	<b>1,222,596</b>	<b>(342,808)</b>	<b>1,565,404</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>23,964,698</b>	<b>3,328,319</b>	<b>20,636,379</b>

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

	<b>30 June 2022</b>	<b>TFRS 16 EFFECT</b>	<b>BEFORE TFRS 16</b>
<b>PROFIT OR LOSS</b>			
Revenue	28,234,765	-	28,234,765
Cost of sales (-)	(21,052,398)	81,683	(21,134,081)
<b>Gross profit</b>	<b>7,182,367</b>	<b>81,683</b>	<b>7,100,684</b>
General administrative expenses (-)	(391,129)	-	(391,129)
Marketing expenses (-)	(4,943,716)	128,169	(5,071,885)
Other operating income	354,229	-	354,229
Other operating expense (-)	(921,109)	56	(921,165)
<b>Operating profit</b>	<b>1,280,642</b>	<b>209,908</b>	<b>1,070,734</b>
Income from investing activities	80,374	-	80,374
Loss from investing activities (-)	(3,903)	-	(3,903)
<b>Operating income before finance income</b>	<b>1,357,113</b>	<b>209,908</b>	<b>1,147,205</b>
Financial income	108,065	-	108,065
Financial expense (-)	(706,257)	(288,206)	(418,051)
<b>Net profit before tax from continuing operations</b>	<b>758,921</b>	<b>(78,298)</b>	<b>837,219</b>
<b>Tax expense from continuing operations</b>	<b>(156,114)</b>	<b>15,561</b>	<b>(171,675)</b>
Income tax expense	(225,652)	-	(225,652)
Deferred tax income	69,538	15,561	53,977
<b>Net profit for the period</b>	<b>602,807</b>	<b>(62,737)</b>	<b>665,544</b>

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