

# MİGROS TİCARET A.Ş. Financial Report Consolidated 2020 - 2. 3 Monthly Notification

## General Information About Financial Statements

Financial Statements - 2Q 2020

## Independent Audit Comment

Independent Audit Company	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Limited
Audit Result	Positive

### REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM

### FINANCIAL INFORMATION

To the Board of Directors of Migros Ticaret A.Ş.

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Migros Ticaret A.Ş. (the "Company") and its subsidiaries (together will be referred as the "Group") as of 30 June 2020 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 – Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Appendices I disclosed as "Other information" at the notes to the condensed consolidated interim financial statements but are not part of the condensed consolidated interim financial statements and of our auditor's report thereon.

Our conclusion on the condensed consolidated interim financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our review of the condensed consolidated interim financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the condensed consolidated interim financial statements or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly, in all material respects, the condensed consolidated interim financial position of the Group as at 30 June 2020 and of its financial performance and its cash flows for the six months period then ended in accordance with TAS 34.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk, SMMM

Partner

İstanbul, 11 August 2020



# Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 30.06.2020	Previous Period 31.12.2019
<b>Statement of Financial Position (Balance Sheet)</b>			
<b>Assets [abstract]</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2.985.001	2.328.309
Financial Investments		6.462	19.714
Trade Receivables		154.720	126.354
Trade Receivables Due From Related Parties	20	844	749
Trade Receivables Due From Unrelated Parties		153.876	125.605
Other Receivables		39.042	35.709
Other Receivables Due From Unrelated Parties		39.042	35.709
Inventories	8	3.020.618	2.666.449
Prepayments		128.810	82.734
Current Tax Assets		0	11.755
Other current assets		6.275	5.899
<b>SUB-TOTAL</b>		<b>6.340.928</b>	<b>5.276.923</b>
<b>Total current assets</b>		<b>6.340.928</b>	<b>5.276.923</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments		4.415	4.415
Other Receivables		5.372	5.265
Other Receivables Due From Unrelated Parties		5.372	5.265
Property, plant and equipment	5	3.187.505	3.736.238
Right of Use Assets	7	2.960.756	2.954.168
Intangible assets and goodwill		2.425.724	2.445.825
Goodwill		2.252.992	2.252.992
Other intangible assets	6	172.732	192.833
Prepayments		86.903	38.041
Deferred Tax Asset	18	77.725	0
<b>Total non-current assets</b>		<b>8.748.400</b>	<b>9.183.952</b>
<b>Total assets</b>		<b>15.089.328</b>	<b>14.460.875</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings		919.695	281.603
Current Borrowings From Unrelated Parties		919.695	281.603
Bank Loans	9	919.695	281.603
Current Portion of Non-current Borrowings		611.209	911.279
Current Portion of Non-current Borrowings from Related Parties		611.209	911.279
Bank Loans	9	387.777	681.251
Lease Liabilities		223.432	230.028
Trade Payables		6.319.921	5.743.794
Trade Payables to Related Parties	20	275.179	255.588
Trade Payables to Unrelated Parties		6.044.742	5.488.206
Employee Benefit Obligations		333.235	148.609
Other Payables		345.502	133.660
Other Payables to Unrelated Parties		345.502	133.660
Derivative Financial Liabilities		18.625	1.803
Deferred Income Other Than Contract Liabilities		135.025	94.984
Current tax liabilities, current	18	17.690	0
Current provisions		270.206	224.605
Current provisions for employee benefits	11	169.510	139.366
Other current provisions	10	100.696	85.239
Other Current Liabilities		4.852	3.681
<b>SUB-TOTAL</b>		<b>8.975.960</b>	<b>7.544.018</b>
<b>Total current liabilities</b>		<b>8.975.960</b>	<b>7.544.018</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings		5.784.440	6.328.337
Long Term Borrowings From Unrelated Parties		5.784.440	6.328.337
Bank Loans	9	2.774.989	3.440.185
Lease Liabilities		3.009.451	2.888.152
Other Payables		14.135	13.026
Other Payables to Unrelated parties		14.135	13.026

Derivative Financial Liabilities		12.922	26.314
Deferred Income Other Than Contract Liabilities		2.560	3.196
Non-current provisions		246.779	204.503
Non-current provisions for employee benefits	11	246.779	204.503
Deferred Tax Liabilities		0	18.613
Total non-current liabilities		6.060.836	6.593.989
Total liabilities		15.036.796	14.138.007
EQUITY			
Equity attributable to owners of parent		50.480	321.203
Issued capital		181.054	181.054
Balancing Account for Merger Capital		22.074	22.074
Treasury Shares (-)	19	-125.435	-125.435
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		436.709	637.922
Gains (Losses) on Revaluation and Remeasurement		436.709	637.922
Increases (Decreases) on Revaluation of Property, Plant and Equipment		450.924	652.137
Gains (Losses) on Remeasurements of Defined Benefit Plans		-14.215	-14.215
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		210.387	176.102
Exchange Differences on Translation		210.387	176.102
Restricted Reserves Appropriated From Profits		111.249	23.771
Other reserves		-365	-365
Prior Years' Profits or Losses		-494.493	-101.808
Current Period Net Profit Or Loss		-290.700	-492.112
Non-controlling interests		2.052	1.665
Total equity		52.532	322.868
Total Liabilities and Equity		15.089.328	14.460.875

# Profit or loss [abstract]

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.06.2020	Previous Period 01.01.2019 - 30.06.2019	Current Period 3 Months 01.04.2020 - 30.06.2020	Previous Period 3 Months 01.04.2019 - 30.06.2019
Profit or loss [abstract]					
PROFIT (LOSS)					
Revenue	3,12	13.412.554	10.730.815	6.979.760	5.808.145
Cost of sales	3,12	-9.868.401	-7.812.954	-5.157.259	-4.246.066
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		3.544.153	2.917.861	1.822.501	1.562.079
GROSS PROFIT (LOSS)		3.544.153	2.917.861	1.822.501	1.562.079
General Administrative Expenses	13	-171.842	-145.301	-85.411	-69.507
Marketing Expenses	13	-2.776.669	-2.183.516	-1.449.456	-1.145.523
Other Income from Operating Activities	14	103.389	183.467	35.352	96.569
Other Expenses from Operating Activities	14	-247.724	-423.445	-109.161	-237.013
PROFIT (LOSS) FROM OPERATING ACTIVITIES		451.307	349.066	213.825	206.605
Investment Activity Income	15	12.267	15.119	11.189	13.763
Investment Activity Expenses	15	-13.734	-6.630	-11.187	-546
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		449.840	357.555	213.827	219.822
Finance income	16	13.379	18.976	7.123	3.564
Finance costs	17	-729.270	-761.419	-340.984	-386.177
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-266.051	-384.888	-120.034	-162.791
Tax (Expense) Income, Continuing Operations		-24.630	3.602	-34.376	12.321
Current Period Tax (Expense) Income	18	-77.429	-1.239	-44.575	-547
Deferred Tax (Expense) Income	18	52.799	4.841	10.199	12.868
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-290.681	-381.286	-154.410	-150.470
PROFIT (LOSS)		-290.681	-381.286	-154.410	-150.470
Profit (loss), attributable to [abstract]					
Non-controlling Interests		19	73	-5	35
Owners of Parent	21	-290.700	-381.359	-154.405	-150.505
Earnings per share [abstract]					
Earnings per share [line items]					
Basic earnings per share					
Basic Earnings (Loss) Per Share from Continuing Operations					
Pay Başına Kazanç / (Kayıp) / Earning (Loss) per Share		-1,61000000	-2,11000000	-0,85000000	-0,83000000
Diluted Earnings Per Share					

# Statement of Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.06.2020	Previous Period 01.01.2019 - 30.06.2019	Current Period 3 Months 01.04.2020 - 30.06.2020	Previous Period 3 Months 01.04.2019 - 30.06.2019
<b>Statement of Other Comprehensive Income</b>					
PROFIT (LOSS)		-290.681	-381.286	-154.410	-150.470
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>-14.308</b>	<b>0</b>	<b>31.681</b>	<b>0</b>
Gains (Losses) on Revaluation of Property, Plant and Equipment		-62.380	0	-3.458	0
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		48.072	0	35.139	0
Taxes Relating to Gains (Losses) on Revaluation of Property, Plant and Equipment		48.072	0	35.139	0
<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>		<b>34.653</b>	<b>11.633</b>	<b>13.394</b>	<b>4.592</b>
Exchange Differences on Translation		34.653	11.633	13.394	4.592
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>20.345</b>	<b>11.633</b>	<b>45.075</b>	<b>4.592</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>-270.336</b>	<b>-369.653</b>	<b>-109.335</b>	<b>-145.878</b>
<b>Total Comprehensive Income Attributable to</b>					
Non-controlling Interests		387	-515	111	0
Owners of Parent		-270.723	-369.138	-109.446	-145.878



## Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.06.2020	Previous Period 01.01.2019 - 30.06.2019
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>1.545.855</b>	<b>938.609</b>
Profit (Loss)		-290.681	-381.286
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>1.486.227</b>	<b>1.500.131</b>
Adjustments for depreciation and amortisation expense	13	404.364	419.433
Adjustments for Impairment Loss (Reversal of Impairment Loss)		30.079	22.593
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	14	2.389	7.636
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories		24.504	12.674
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	15	3.186	2.283
Adjustments for provisions		104.216	83.642
Adjustments for (Reversal of) Provisions Related with Employee Benefits	11	95.632	75.031
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	10	8.584	8.611
Adjustments for Interest (Income) Expenses		589.636	713.569
Adjustments for Interest Income	14	-28.809	-40.808
Adjustments for interest expense	17	435.432	469.847
Deferred Financial Expense from Credit Purchases	14	224.194	389.047
Unearned Financial Income from Credit Sales	14	-41.181	-104.517
Adjustments for unrealised foreign exchange losses ( gains)	9	323.961	272.308
Adjustments for fair value losses (gains)		11.060	2.960
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	17	11.060	2.960
Adjustments for Tax (Income) Expenses	18	24.630	-3.602
Adjustments for losses (gains) on disposal of non-current assets		-1.719	-10.772
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	15	-1.719	-10.772
<b>Changes in Working Capital</b>		<b>579.735</b>	<b>164.615</b>
Adjustments for decrease (increase) in trade accounts receivable		-34.124	-82.429
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-86.739	-6.043
Adjustments for decrease (increase) in inventories		-378.673	-290.407
Adjustments for increase (decrease) in trade accounts payable		624.785	364.453
Adjustments for increase (decrease) in other operating payables		454.486	179.041
<b>Cash Flows from (used in) Operations</b>		<b>1.775.281</b>	<b>1.283.460</b>
Interest paid		-222.586	-439.884
Interest received		71.329	140.958
Payments Related with Provisions for Employee Benefits	11	-23.212	-26.069
Payments Related with Other Provisions	10	-5.793	-10.893
Income taxes refund (paid)		-49.164	-8.963
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>355.698</b>	<b>56.099</b>
Proceeds from sales of property, plant, equipment and intangible assets		523.419	186.111
Purchase of Property, Plant, Equipment and Intangible Assets		-167.721	-130.012
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>-1.243.255</b>	<b>-602.626</b>
Proceeds from borrowings	9	1.139.040	570.200
Repayments of borrowings	9	-1.793.652	-568.429
Payments of Lease Liabilities		-371.943	-365.885
Cash Payments for Future Contracts, Forward Contracts, Option Contracts and Swap Contracts		-7.630	-45.537
Interest paid		-211.100	-198.685
Interest Received	16	2.030	5.710
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		658.298	392.082
Effect of exchange rate changes on cash and cash equivalents		-1.606	-3.444
Net increase (decrease) in cash and cash equivalents		656.692	388.638

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2.328.309	1.750.516
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2.985.001	2.139.154

Footnote Reference	Equity												
	Equity attributable to owners of parent [member]											Non-controlling interests [member]	
	Issued Capital	Balancing Account for Merger Capital	Treasury Shares	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		Other Accumulated Comprehensive Income That Will Be Reclassified In Profit Or Loss			Restricted Reserves Appropriated From Profits [member]	Other reserves [member]	Retained Earnings		
				Gains/Losses on Revaluation and Remeasurement [member]		Exchange Differences on Translation	Reserve Of Gains or Losses on Hedge	Gains (Losses) on Revaluation and Reclassification			Prior Years' Profits or Losses		Net Profit or Loss
				Increases (Decreases) on Revaluation of Property, Plant and Equipment	Gains (Losses) on Remeasurements of Defined Benefit Plans								

Previous Period 01.01.2019 - 30.06.2019	Statement of changes in equity [abstract]																		
	Statement of changes in equity [line items]																		
	Equity at beginning of period		181.054	22.074	-125.435	687.277	-9.265	678.012	132.671		132.671	9.391	-365	571.060	-835.558	-264.498	632.904	2.186	635.090
	Adjustments Related to Accounting Policy Changes																		
	Adjustments Related to Required Changes in Accounting Policies																		
	Adjustments Related to Voluntary Changes in Accounting Policies																		
	Adjustments Related to Errors																		
	Other Restatements																		
	Restated Balances																		
	Transfers					-128.043	-128.043				14.380	-721.895	835.558	113.663	0				0
	Total Comprehensive Income (Loss)						0	12.320		12.320					-381.359	-381.359	-369.039	-614	-369.653
	Profit (loss)														-381.359	-381.359	-381.359	73	-381.286
	Other Comprehensive Income (Loss)						0	12.320		12.320							12.320	-687	11.633
	Issue of equity																		
	Capital Decrease																		
	Capital Advance																		
	Effect of Merger or Liquidation or Division																		
	Effects of Business Combinations Under Common Control																		
	Advance Dividend Payments																		
	Dividends Paid																		
	Decrease through Other Distributions to Owners																		
	Increase (Decrease) through Treasury Share Transactions																		
	Increase (Decrease) through Share-Based Payment Transactions																		
	Acquisition or Disposal of a Subsidiary																		
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity																		
	Transactions with noncontrolling shareholders																		
	Increase through Other Contributions by Owners																		
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																		
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																		
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																		
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																		
	Increase (decrease) through other changes, equity																		
	Equity at end of period		181.054	22.074	-125.435	559.234	-9.265	549.969	144.991		144.991	23.771	-365	-150.835	-381.359	-532.194	263.865	1.572	265.437
	Statement of changes in equity [abstract]																		
	Statement of changes in equity [line items]																		
	Equity at beginning of period		181.054	22.074	-125.435	652.137	-14.215	637.922	176.102		176.102	23.771	-365	-101.808	-492.112	-593.920	321.203	1.665	322.868
	Adjustments Related to Accounting Policy Changes																		
	Adjustments Related to Required Changes in Accounting Policies																		
	Adjustments Related to Voluntary Changes in Accounting Policies																		
	Adjustments Related to Errors																		
	Other Restatements																		
	Restated Balances																		
	Transfers					-186.905	-186.905				87.478	-392.685	492.112	99.427	0				0
	Total Comprehensive Income (Loss)					-14.308	-14.308	34.285		34.285					-290.700	-290.700	-270.723	387	-270.336
	Profit (loss)														-290.700	-290.700	-290.700	19	-290.681
	Other Comprehensive Income (Loss)					-14.308	-14.308	34.285		34.285							19.977	368	20.345
	Issue of equity																		
	Capital Decrease																		
	Capital Advance																		
	Effect of Merger or Liquidation or Division																		
	Effects of Business Combinations Under Common Control																		
	Advance Dividend Payments																		
	Dividends Paid																		

Current Period 01.01.2020 - 30.06.2020	Decrease through Other Distributions to Owners																			
	Increase (Decrease) through Treasury Share Transactions																			
	Increase (Decrease) through Share-Based Payment Transactions																			
	Acquisition or Disposal of a Subsidiary																			
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity																			
	Transactions with noncontrolling shareholders																			
	Increase through Other Contributions by Owners																			
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																			
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																			
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																			
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied																			
	Increase (decrease) through other changes, equity																			
	Equity at end of period		181.054	22.074	-125.435	450.924	-14.215	436.709	210.387	210.387	111.249	-365	-494.493	-290.700	-785.193	50.480	2.052	52.532		