

**MİGROS TİCARET A.Ş.
AND ITS SUBSIDIARIES**

CONVENIENCE TRANSLATION
INTO ENGLISH OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS AS OF 30 SEPTEMBER 2021

(ORIGINALLY ISSUED IN TURKISH)

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**CONVENIENCE TRANSLATION INTO ENGLISH OF
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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS AS OF
30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

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

		Current Period	Prior Year
	Notes	30 September 2021	31 December 2020
ASSETS			
Current Assets:			
Cash and cash equivalents		3.202.158	3.230.793
Financial investments		115	5.879
Trade receivables		217.779	174.525
<i>Trade receivables from related parties</i>	19	332	154
<i>Trade receivables from third parties</i>		217.447	174.371
Other receivables		36.693	27.854
<i>Other receivables from third parties</i>		36.693	27.854
Derivative instruments		9.175	5.174
Inventories	7	4.158.232	3.339.580
Prepaid expenses		122.106	114.183
Other current assets		14.245	10.318
Sub total		7.760.503	6.908.306
Assets held for sale		-	422.615
Total current assets		7.760.503	7.330.921
Non-current assets:			
Financial investments		13.465	10.815
Other receivables		5.009	4.913
<i>Other receivables from third parties</i>		5.009	4.913
Derivative instruments		-	8.249
Property, plant and equipment	4	3.004.280	2.772.744
Intangible assets		2.455.968	2.439.671
<i>Goodwill</i>		2.252.992	2.252.992
<i>Other intangible assets</i>	5	202.976	186.679
Prepaid expenses		21.300	21.002
Right-of-use assets	6	2.926.208	2.789.744
Deferred tax assets	17	38.040	-
Total non-current assets		8.464.270	8.047.138
Total assets		16.224.773	15.378.059

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

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30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

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	Notes	Current Period 30 September 2021	Prior Year 31 December 2020
LIABILITIES			
Current liabilities:			
Short term borrowings		896.932	1.144.343
<i>Bank loans</i>	8	896.932	1.144.343
Short term portion of long term borrowings		1.163.071	1.011.299
<i>Bank loans</i>	8	446.218	413.522
<i>Lease liabilities</i>		716.853	597.777
Trade payables		8.838.580	7.339.394
<i>Trade payables to related parties</i>	19	402.009	280.013
<i>Trade payables to third parties</i>		8.436.571	7.059.381
Employee benefits payables		292.476	239.125
Other payables		97.640	178.714
<i>Other payables to third parties</i>		97.640	178.714
Derivative instruments		-	4.760
Deferred income		139.027	142.332
Taxes on income	17	76.765	8.208
Short term provisions		310.064	257.013
<i>Short term provisions for employee benefits</i>	10	191.331	158.126
<i>Other short term provisions</i>	9	118.733	98.887
Other current liabilities		3.605	1.389
Sub total		11.818.160	10.326.577
Liabilities regarding assets classified for sale		-	76.374
Total current liabilities		11.818.160	10.402.951
Non-current liabilities:			
Long term borrowings		3.880.119	4.616.639
<i>Bank loans</i>	8	1.408.244	2.279.885
<i>Lease liabilities</i>		2.471.875	2.336.754
Other payables		19.121	29.232
<i>Other payables to third parties</i>		19.121	29.232
Deferred income		14.327	25.081
Derivative Instruments		1.684	-
Long term provisions		320.833	257.690
<i>Long term provisions for employee benefits</i>	10	320.833	257.690
Deferred tax liabilities		-	13.005
Total non-current liabilities		4.236.084	4.941.647
Total liabilities		16.054.244	15.344.598

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30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

		Current Period	Prior Year
	Notes	30 September 2021	31 December 2020
EQUITY			
Attributable to equity holders of parent		170.529	31.061
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 accumulated comprehensive income/(loss)			
that will not be reclassified in profit or loss		375.503	406.218
-Defined benefit plans re-measurement		(3.042)	(3.042)
-Revaluation fund of			
property, plant and equipment		378.545	409.260
Other accumulated comprehensive income			
that will be reclassified in profit or loss		24.463	256.000
- Currency translation differences		24.463	256.000
Restricted reserves		250.582	111.249
Accumulated losses		(924.578)	(416.750)
Net income/(loss)		367.231	(402.984)
Non-controlling interest		-	2.400
Total equity		170.529	33.461
Total liabilities and equity		16.224.773	15.378.059

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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021 AND 2020**

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

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

	Notes	1 January - 30 September 2021	1 July- 30 September 2021	Restated 1 January - 30 September 2020	Restated 1 July - 30 September 2020
Revenue	3, 11	25.920.827	9.816.715	20.863.156	7.609.546
Cost of sales (-)	3, 11	(19.588.288)	(7.408.493)	(15.876.503)	(5.805.554)
Gross profit		6.332.539	2.408.222	4.986.653	1.803.992
General administrative expenses (-)	12	(292.087)	(99.759)	(244.753)	(78.568)
Marketing expenses (-)	12	(4.559.023)	(1.635.750)	(3.718.835)	(1.301.459)
Other operating income	13	325.378	135.104	182.170	78.997
Other operating expense (-)	13	(830.768)	(334.250)	(400.314)	(157.615)
Operating profit		976.039	473.567	804.921	345.347
Income from investing activities	14	213.535	-	46.818	45.099
Expenses from investing activities (-)	14	(2.003)	(390)	(3.842)	(656)
Operating income before finance income/(expense)		1.187.571	473.177	847.897	389.790
Financial income	15	93.852	5.468	273.086	260.883
Financial expense (-)	16	(816.485)	(264.928)	(1.314.940)	(595.840)
Net (loss) / income before tax from continuing operations		464.938	213.717	(193.957)	54.833
Tax expense from continuing operations		(98.385)	(57.755)	(85.256)	(57.206)
- Income tax expense	17	(148.194)	(54.349)	(130.035)	(53.371)
- Deferred tax income / (expense)	17	49.809	(3.406)	44.779	(3.835)
Continued operations income / (loss)		366.553	155.962	(279.213)	(2.373)
Discontinued operations income		678	-	1.075	539
Net income / (loss) for the period		367.231	155.962	(278.138)	(1.834)
Net (income) / loss attributable to:					
- Non-controlling interest		-	-	34	15
- Equity holders of parent	20	367.231	155.962	(278.172)	(1.849)
Continued (loss) / earning per share TRL		2,02	0,86	(1,54)	(0,01)
Discontinued (loss) / earning per share TRL	20	0,00	-	0,01	0,00

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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021 AND 2020**

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

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	1 January - 30 September 2021	1 July- 30 September 2021	Restated 1 January - 30 September 2020	Restated 1 July - 30 September 2020
Net income / (loss) for the period	367.231	155.962	(278.138)	(1.834)
Items that may be reclassified subsequently				
-Revaluation of fund of property,plant and equipment	1.279	514	(62.490)	(110)
Tax effect of items not to be reclassified to profit or loss				
-Tax effect of revaluation fund of property,plant and equipment	(256)	(103)	49.253	1.181
Items to be reclassified to profit or loss				
-Currency translation differences	(231.186)	(859)	70.418	35.765
Other comprehensive (loss) / income, after tax	(230.163)	(448)	57.181	36.836
Total comprehensive income / (loss)	137.068	155.514	(220.957)	35.002
Total comprehensive (loss) / income attributable to:				
-Non-controlling interests	(2.400)	-	779	392
-Equity holders of parent	139.468	155.514	(221.736)	34.610

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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021 AND 2020**

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

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				Other comprehensive income/ expenses			Other comprehensive income/ expenses			Retained earnings			
				not to be reclassified to profit or loss			to be reclassified to profit or loss						
	Share capital	Other capital reserves	Treasury shares	Additional contribution to share capital	Defined benefit plans re-measurement losses	Increase/(decrease) re-evaluation of tangible assets	Cumulative translation losses	Restricted reserves	Accumulated gain/ (losses)	Net (loss) / income for the period	Attributable to equity holders of the parents	Non-controlling interests	Total equity
Balances at 1 January 2020	181.054	(365)	(125.435)	22.074	(14.215)	652.137	176.102	23.771	(101.808)	(460.812)	352.503	1.665	354.168
Transfers	-	-	-	-	-	(216.387)	-	87.478	(331.903)	460.812	-	-	-
Total comprehensive income	-	-	-	-	-	(13.237)	69.673	-	-	(278.172)	(221.736)	779	(220.957)
Net loss for the period	-	-	-	-	-	-	-	-	-	(278.172)	(278.172)	34	(278.138)
Currency translation differences	-	-	-	-	-	-	69.673	-	-	-	69.673	745	70.418
Defined benefit plans re-measurement loss	-	-	-	-	-	(13.237)	-	-	-	-	(13.237)	-	(13.237)
Balances at 30 September 2020	181.054	(365)	(125.435)	22.074	(14.215)	422.513	245.775	111.249	(433.711)	(278.172)	130.767	2.444	133.211
Balances at 1 January 2021	181.054	(365)	(125.435)	22.074	(3.042)	409.260	256.000	111.249	(416.750)	(402.984)	31.061	2.400	33.461
Transfers	-	-	-	-	-	(31.738)	(2.751)	139.333	(507.828)	402.984	-	-	-
Total comprehensive income	-	-	-	-	-	1.023	(228.786)	-	-	367.231	139.468	(2.400)	137.068
Net income for the period	-	-	-	-	-	-	-	-	-	367.231	367.231	-	367.231
Currency translation differences	-	-	-	-	-	-	(23.043)	-	-	-	(23.043)	-	(23.043)
Increase / (decrease) due to loss of control in subsidiaries	-	-	-	-	-	-	(205.743)	-	-	-	(205.743)	(2.400)	(208.143)
Defined benefit plans re-measurement gains	-	-	-	-	-	1.023	-	-	-	-	1.023	-	1.023
Balances at 30 September 2021	181.054	(365)	(125.435)	22.074	(3.042)	378.545	24.463	250.582	(924.578)	367.231	170.529	-	170.529

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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021 AND 2020**

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

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	Notes	1 January - 30 September 2021	1 January - 30 September 2020
Cash flow from operating activities:			
Net income / (loss) for the period		367.231	(278.138)
Continued operations income / (loss)		366.553	(279.213)
Discontinued operations income / (loss)		678	1.075
Adjustments related to reconciliation of loss			
Adjustments for depreciation and amortisation expenses	12	667.347	618.003
Adjustments for impairment on receivables	13	3.238	4.571
Adjustments for inventory provisions		41.564	17.644
Adjustments for impairment on property, plant and equipment	14	1.479	3.842
Adjustments for provision for employee benefits	10	137.477	99.510
Adjustments for provision for litigation	9	27.307	15.811
Adjustments for interest income	13, 15	(100.319)	(58.528)
Adjustments for interest expense	16	716.321	660.535
Adjustments for deferred financing due to forward purchases expenses	13	782.114	366.036
Adjustments for unearned finance income from sales	13	(203.443)	(75.171)
Adjustments for unrealized foreign exchange losses related to bank borrowings	8	39.473	561.029
Adjustments for fair value losses arising from derivatives	15, 16	(9.277)	(4.771)
Adjustments for income tax expense	17	98.385	85.256
Loss on sale of property plant and equipment	14	151	(46.818)
Subsidiary acquisition loss/ (profit)		(213.162)	-
Changes in net working capital		668.547	929.582
Adjustments for increase in trade receivables		(43.759)	(80.678)
Adjustments for increase in inventories		(860.216)	(416.178)
Adjustments for increase in other receivables related with operations		(29.796)	(119.770)
Adjustments for increase in trade payables		1.569.331	1.060.506
Adjustments for increase in other payables related with operations		32.987	485.702
Cash flows from operating activities		3.024.433	2.898.393
Employee benefits paid	10	(41.129)	(34.872)
Interest received		297.785	132.072
Interest paid		(852.259)	(376.268)
Taxes paid		(87.074)	(108.229)
Other provisions paid	9	(11.656)	(9.884)
Net cash provided by operating activities		2.330.100	2.501.212

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021 AND 2020**

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	Notes	1 January - 30 September 2021	1 January - 30 September 2020
Cash flows from investing activities:			
Cash outflows from the purchase of investment properties, tangible and intangible assets		(508.265)	(267.849)
Cash inflows from the sale of tangible and intangible assets		16.168	769.911
Cash inflows from the held for sale		374.451	-
Net cash used in investing activities		(117.646)	502.062
Cash flows from financing activities			
Proceeds from borrowings	8	300.000	1.139.040
Repayment of borrowings	8	(1.454.890)	(2.302.983)
Repayment of derivative instruments		10.450	(18.448)
Interest received	15	3.244	2.299
Interest paid		(375.192)	(337.472)
Cash outflows from payments of rent agreements		(679.352)	(560.234)
Net cash provided by financing activities		(2.195.740)	(2.077.798)
Impact of foreign currency translation differences on cash and cash equivalents		(45.349)	1.149
Net (decrease) / increase in cash and cash equivalents		(28.635)	926.625
Cash and cash equivalents at the beginning of period		3.230.793	2.328.309
Cash and cash equivalents at the end of period		3.202.158	3.254.934

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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 April 30, 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 September 30, 2021, the indirect shares of AG Anadolu Grubu Holding A.Ş. (“Anadolu Group”) is 50%.

Through its Migros, 5M, Migros Jet and Macrocenter banner stores in Turkey, shopping centers and internet, the Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods. The Company also rents floor space in the shopping malls to other trading companies. As of 30 September 2021, the Group has 1.631.245 m2 retail and 13.980 m2 wholesale store sales area, with a total sales area of 1.645.135 m2 (31 December 2020: 1.580.317 m2), and has 2.460 retail and 24 wholesale stores, with a total of 2.484 stores (31 December 2020: 2.319). As of 30 September 2021, the total number of employees of the Group is 41.073 (31 December 2020: 38.458). Retailing is the Group's main business, constituting approximately 96% (31 December 2020: 97%) of the gross sales.

The address of the registered office is as follows:

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

These condensed interim consolidated financial statements have been approved for issue by the Board of Directors (“BOD”) on 5 November 2021 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 regulators have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries

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

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Geographical segment</u>	<u>Nature of business</u>	<u>September 2021 (%)</u>	<u>December 2020 (%)</u>
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaria")	Bulgaria	Bulgaria	Dormant	-	100,0
Ramstore Kazakhstan LLC ("Ramstore Kazakhstan")	Kazakhstan	Kazakhstan	Retailing	100,0	100,0
Ramstore Macedonia DOO ("Ramstore Macedonia")	Macedonia	Bulgaria	Retailing	-	99,0
Money pay Ödeme ve Elektronik Para Hizmetleri A.Ş. (*)	Turkey	Turkey	Services limited by e-money legislation	80,00	80,00
Mimeda Medya Platform A.Ş. (*)	Turkey	Turkey	Media	100,00	-
Paket Lojistik ve Teknolojik A.Ş.(*)	Turkey	Turkey	Logistics services	25,00	25,00

(*) Not included in the scope of consolidation on the grounds of materiality.

During the period, the Group sold 100% shares of our inactive subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), which has 99% shares of its subsidiary Ramstore Macedonia DOO ("Ramstore Macedonia"), with a share transfer agreement dated 9 March 2021.

Mimeda Medya Platform A.Ş., which is a new media company, was established on 22 June 2021 in order to deliver its media assets to all advertisers more effectively and to reveal the true potential of data-based marketing activities. The Company is a 100% subsidiary of Migros Ticaret A.Ş. and its original capital is TL 1.500.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Basis of preparation and presentation of financial statements

The interim condensed consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013 and interim condensed consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA") according to Article 5 of the Communiqué. TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations.

The 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.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**

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

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

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

2.1 Basis of presentation (Continued)

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

In the scope of the CMB’s “Communiqué on Financial Reporting in Capital Market” Numbered II- 14.1 (Communiqué), the Group has prepared condensed consolidated interim financial statements in accordance with TAS 34 “Interim Financial Reporting”. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

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

2.1.2 Comparative information and restatement of prior period financial statements

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

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

In order to comply with the presentation of the current period consolidated financial statements as of 30 September 2021, in-store production and e-commerce expenses amounting to TL 451.476, which were classified under marketing expenses, were classified under cost of sales in the consolidated income statement for the period ending on 30 June 2020. In addition, the Group has reclassified the profit and loss statement of Ramstore Bulgaria EAD to discontinued operations as of 30 September 2020.

2.1.3 Changes in the accounting policies, estimates and errors

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

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

2.1 Basis of presentation (Continued)

2.1.2 Changes in the accounting policies, estimates and errors (Continued)

On 31 December 2020, the Group reviewed the calculation applied in the prior period for the calculation of TFRS 16 lease liability, which became effective as of 1 January 2019. The Group has adjusted the effects of this change retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The effect of this adjustment made on 31 December 2020 on prior years' profits and net profit for the period as of 30 September 2020 are as follows:

	Previously Reported	Restatement Effect	Restated
	30 September 2020	30 September 2020	30 September 2020
ASSETS			
Current assets:			
Prepaid expenses	176.296	(120.843)	55.453
Total current assets	6.752.316	(120.843)	6.631.473
Non-current assets:			
Prepaid expenses	95.678	(10.274)	85.404
Right of use assets	2.753.137	(224.019)	2.529.118
Deferred tax assets	75.267	(13.342)	61.925
Total non-currents assets	8.385.245	(247.635)	8.137.610
Total assets	15.137.561	(368.478)	14.769.083
LIABILITIES			
Current liabilities:			
Lease liabilities	223.537	348.539	572.076
Total current liabilities	9.401.689	348.539	9.750.228
Non-current liabilities:			
Lease liabilities	2.853.737	(751.830)	2.101.907
Total non-current liabilities	5.637.474	(751.830)	4.885.644
Total liabilities	15.039.163	(403.291)	14.635.872
EQUITY			
Attributable to equity holders of parent	95.954	34.813	130.767
Accumulated losses	(465.011)	31.300	(433.711)
Net loss for the period	(281.685)	3.513	(278.172)
Non-controlling interest	2.444	-	2.444
Total equity	98.398	34.813	133.211
Total liabilities	15.137.561	(368.478)	14.769.083

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

2.1 Basis of presentation (Continued)

2.1.2 Changes in the accounting policies, estimates and errors (Continued)

	Previously Reported	Restatement Effect	Discontinued operations classification effect	Restated
PROFIT OR LOSS	30 Eylül 2020	30 Eylül 2020	30 Eylül 2020	30 Eylül 2020
Revenue	21.107.907	-	(244.751)	20.863.156
Cost of sales (-)	(15.584.935)	(473.488)	181.920	(15.876.503)
Gross profit	5.522.972	(473.488)	(62.831)	4.986.653
General administrative expenses (-)	(253.338)	-	8.585	(244.753)
Marketing expenses (-)	(4.273.957)	501.998	53.124	(3.718.835)
Other operating income	182.417	-	(247)	182.170
Other operating expense (-)	(399.013)	(1.883)	582	(400.314)
Operating profit	779.081	26.627	(787)	804.921
Income from investment activities	46.818	-	-	46.818
Expenses from investment activities (-)	(3.842)	-	-	(3.842)
Operating income before finance income	822.057	26.627	(787)	847.897
Financial income	274.862	-	(1.776)	273.086
Financial expense (-)	(1.296.830)	(18.445)	335	(1.314.940)
Net loss before tax from continuing operations	(199.911)	8.182	(2.228)	(193.957)
Tax expense from continuing operations	(81.740)	(4.669)	1.153	(85.256)
-Income tax expense	(131.188)	-	1.153	(130.035)
- Deferred tax income	49.448	(4.669)	-	44.779
Continued operations loss	(281.651)	3.513	(1.075)	(279.213)
Discontinued operations income	-	-	1.075	1.075
Net loss for the period	(281.651)	3.513	-	(278.138)

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 TL, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group.

2.1.4 Going concern

In accordance with the continuity principle of the business, the consolidated financial tables are prepared based on the assumption that the Group will benefit from its assets and pay off its liabilities within next year.

Group companies

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

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

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

2.2 New and Revised Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

**Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform
— Phase 2**

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group’s consolidated financial statements

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

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

2.2 New and Revised Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective (continued)

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 First time adoption of International Financial Reporting Standards

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

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

2.2 New and Revised Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective (continued)

Annual Improvements to TFRS Standards 2018-2020 Cycle (Continued)

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published *COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

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

2.2 New and Revised Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective (continued)

Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021 (continued)

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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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 September 2021 and 2020 is as follows:

Segment analysis for the period 1 January - 30 September 2021

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discontinued operations	Total
External Revenues	25.899.147	21.680	25.920.827	-	25.920.827	60.704	25.981.531
Inter segment revenues	746	-	746	(746)	-	-	-
Sales revenue	25.899.893	21.680	25.921.573	(746)	25.920.827	60.704	25.981.531
Cost of sales	(19.582.381)	(6.653)	(19.589.034)	746	(19.588.288)	(44.332)	(19.632.620)
Gross profit	6.317.512	15.027	6.332.539	-	6.332.539	16.372	6.348.911
Selling and marketing expenses	(4.559.023)	-	(4.559.023)	-	(4.559.023)	(13.463)	(4.572.486)
General administrative expenses	(282.010)	(10.077)	(292.087)	-	(292.087)	(1.871)	(293.958)
Addition: Depreciation and amortisation expenses	662.858	4.489	667.347	-	667.347	2.607	669.954
Addition: Provision for termination benefits	63.143	-	63.143	-	63.143	-	63.143
Addition: Provision for Unused vacation	33.205	-	33.205	-	33.205	-	33.205
EBITDA (including TFRS 16 Effect)	2.235.685	9.439	2.245.124	-	2.245.124	3.645	2.248.769
TFRS 16 Effect	(679.352)	-	(679.352)	-	(679.352)	-	(679.352)
EBITDA	1.556.333	9.439	1.565.772	-	1.565.772	3.645	1.569.417
Rent Expense	1.153.756	2	1.153.758	-	1.153.758	2.805	1.156.563
EBITDAR	2.710.089	9.441	2.719.530	-	2.719.530	6.450	2.725.980

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NOTE 3 - SEGMENT REPORTING (Continued)

Segment analysis for the period 1 July - 30 September 2021

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discontinued operations	Total
External Revenues	9.809.090	7.625	9.816.715	-	9.816.715	-	9.816.715
Inter segment revenues	(482)	-	(482)	482	-	-	-
Sales revenue	9.808.608	7.625	9.816.233	482	9.816.715	-	9.816.715
Cost of sales	(7.405.786)	(2.225)	(7.408.011)	(482)	(7.408.493)	-	(7.408.493)
Gross profit	2.402.822	5.400	2.408.222	-	2.408.222	-	2.408.222
Selling and marketing expenses	(1.635.750)	-	(1.635.750)	-	(1.635.750)	-	(1.635.750)
General administrative expenses	(97.388)	(2.371)	(99.759)	-	(99.759)	-	(99.759)
Addition: Depreciation and amortisation expenses	233.629	1.504	235.133	-	235.133	-	235.133
Addition: Provision for termination benefits	4.920	-	4.920	-	4.920	-	4.920
Addition: Provision for Unused vacation	(7.590)	-	(7.590)	-	(7.590)	-	(7.590)
EBITDA (Including TFRS 16 Effect)	900.643	4.533	905.176	-	905.176	-	905.176
TFRS 16 Effect	(242.654)	-	(242.654)	-	(242.654)	-	(242.654)
EBITDA	657.989	4.533	662.522	-	662.522	-	662.522
Rent Expense	424.180	-	424.180	-	424.180	-	424.180
EBITDAR	1.082.169	4.533	1.086.702	-	1.086.702	-	1.086.702

Segment analysis for the period 1 January - 30 September 2020

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discontinued operations	Total
External Revenues	20.726.529	136.627	20.863.156	-	20.863.156	244.751	21.107.907
Inter segment revenues	2.986	-	2.986	(2.986)	-	-	-
Sales revenue	20.729.515	136.627	20.866.142	(2.986)	20.863.156	244.751	21.107.907
Cost of sales	(15.782.496)	(96.993)	(15.879.489)	2.986	(15.876.503)	(181.920)	(16.058.423)
Gross profit	4.947.019	39.634	4.986.653	-	4.986.653	62.831	5.049.484
Selling and marketing expenses	(3.688.514)	(30.321)	(3.718.835)	-	(3.718.835)	(43.022)	(3.761.857)
General administrative expenses	(229.171)	(15.582)	(244.753)	-	(244.753)	(18.687)	(263.440)
Addition: Depreciation and amortisation expenses	607.998	16.123	624.121	-	624.121	10.102	634.223
Addition: Provision for termination benefits	46.278	187	46.465	-	46.465	187	46.652
Addition: Provision for Unused vacation	18.173	-	18.173	-	18.173	-	18.173
EBITDA (Including TFRS 16 Effect)	1.701.783	10.041	1.711.824	-	1.711.824	11.411	1.723.235
TFRS 16 Effect	(597.664)	-	(597.664)	-	(597.664)	-	(597.664)
EBITDA	1.104.119	10.041	1.114.160	-	1.114.160	11.411	1.125.571
Rent Expense	917.015	23.066	940.081	-	940.081	11.390	951.471
EBITDAR	2.021.134	33.107	2.054.241	-	2.054.241	22.801	2.077.042

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NOTE 3 - SEGMENT REPORTING (Continued)

Segment analysis for the period 1 July - 30 September 2020

	Turkey	Other countries	Combined total	Intersegment eliminations	Total continued operations	Discontinued operations	Total
External Revenues	7.577.544	32.002	7.609.546	-	7.609.546	85.807	7.695.353
Inter segment revenues	499	-	499	(499)	-	-	-
Sales revenue	7.578.043	32.002	7.610.045	(499)	7.609.546	85.807	7.695.353
Cost of sales	(5.784.278)	(21.775)	(5.806.053)	499	(5.805.554)	(63.034)	(5.868.588)
Gross profit	1.793.765	10.227	1.803.992	-	1.803.992	22.773	1.826.765
Selling and marketing expenses	(1.291.748)	(9.711)	(1.301.459)	-	(1.301.459)	(15.739)	(1.317.198)
General administrative expenses	(73.229)	(5.339)	(78.568)	-	(78.568)	(6.458)	(85.026)
Addition: Depreciation and amortisation expenses	199.995	12.133	212.128	-	212.128	3.530	215.658
Addition: Provision for termination benefits	4.081	187	4.268	-	4.268	108	4.376
Addition: Provision for Unused vacation	(11.971)	-	(11.971)	-	(11.971)	-	(11.971)
EBITDA (Including TFRS 16 Effect)	620.893	7.497	628.390	-	628.390	4.214	632.604
TFRS 16 Effect	(207.515)	-	(207.515)	-	(207.515)	-	(207.515)
EBITDA	413.378	7.497	420.875	-	420.875	4.214	425.089
Rent Expense	342.138	15.525	357.663	-	357.663	4.111	361.774
EBITDAR	755.516	23.022	778.538	-	778.538	8.325	786.863

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NOTE 3 - SEGMENT REPORTING (Continued)

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

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
EBITDAR reported segments	2.719.530	1.086.702	2.054.241	778.538
Rent expenses	(1.153.758)	(424.180)	(940.081)	(357.663)
TFRS 16 Effect	679.352	242.654	597.664	207.515
EBITDA reported segments	2.245.124	905.176	1.711.824	628.390
Depreciation and amortisation	(667.347)	(235.133)	(624.121)	(212.128)
Provision for employment termination benefits	(63.143)	(4.920)	(46.465)	(4.268)
Provision for unused vacation	(33.205)	7.590	(18.173)	11.971
Other operating income	325.378	135.104	182.170	78.997
Other operating expense (-)	(830.768)	(334.250)	(400.314)	(157.615)
Operating profit	976.039	473.567	804.921	345.347
Income from investing activities	213.535	-	46.818	45.099
Expense from investing activities (-)	(2.003)	(390)	(3.842)	(656)
Operating profit before finance income	1.187.571	473.177	847.897	389.790
Financial income	93.852	5.468	273.086	260.883
Financial expense (-)	(816.485)	(264.928)	(1.314.940)	(595.840)
Income/(loss) before tax	464.938	213.717	(193.957)	54.833

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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2021	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2021
Cost							
Land	590.907	-	-	-	-	53	590.960
Buildings	566.295	1.454	-	-	79	13.689	581.517
Leasehold improvements	961.105	77.897	(497)	(5.912)	41.022	-	1.073.615
Machinery and equipments	1.450.494	129.266	(30.399)	-	124.300	4.164	1.677.825
Motor vehicles	9.745	3.128	(644)	-	-	-	12.229
Furniture and fixtures	887.016	54.237	(14.892)	-	22.522	1.517	950.400
Construction in progress	116.491	176.837	-	-	(187.923)	-	105.405
	4.582.053	442.819	(46.432)	(5.912)	-	19.423	4.991.951
Accumulated depreciation							
Buildings	(41.710)	(13.177)	-	-	-	(1.172)	(56.059)
Leasehold improvements	(511.194)	(61.857)	388	4.433	-	-	(568.230)
Machinery and equipments	(743.695)	(94.487)	26.962	-	150	(3.774)	(814.844)
Motor vehicles	(3.385)	(1.741)	582	-	-	-	(4.544)
Furniture and fixture	(509.325)	(41.753)	13.562	-	-	(6.478)	(543.994)
	(1.809.309)	(213.015)	41.494	4.433	150	(11.424)	(1.987.671)
Net book value	2.772.744						3.004.280

(*) Impairment loss amounting to TL 1.479 consists of leasehold improvements of the stores closed in 2021 (Note:14).

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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments period ended at 30 September 2020 is as follows;

	1 January 2020	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2020
Cost							
Land	1.288.070	-	(552.025)	-	-	14.896	750.941
Buildings	1.048.096	3.610	(277.720)	-	1.259	51.835	827.080
Leasehold improvements	899.000	29.166	-	(8.946)	12.507	5.998	937.725
Machinery and equipments	1.279.878	69.662	(15.213)	-	44.762	14.847	1.393.936
Motor vehicles	10.988	2.714	(434)	-	-	1.197	14.465
Furniture and fixtures	840.781	45.695	(5.487)	-	14.544	19.124	914.657
Construction in progress	54.913	86.333	-	-	(73.740)	2.151	69.657
	5.421.726	237.180	(850.879)	(8.946)	(668)	110.048	4.908.461
Accumulated depreciation							
Buildings	(29.461)	(23.786)	10.033	-	-	(13.052)	(56.266)
Leasehold improvements	(459.195)	(51.423)	-	5.104	-	(3.436)	(508.950)
Machinery and equipments	(684.063)	(82.708)	13.766	-	(25)	(10.934)	(763.964)
Motor vehicles	(3.378)	(1.510)	393	-	-	(606)	(5.101)
Furniture and fixture	(509.391)	(40.119)	4.601	-	(209)	(16.347)	(561.465)
	(1.685.488)	(199.546)	28.793	5.104	(234)	(44.375)	(1.895.746)
Net book value	3.736.238						3.012.715

(*) Impairment loss amounting to TL 3.842 consists of leasehold improvements of the stores closed in 2020 (Note:14).

There are no mortgages on property, plant and equipment as of September 30, 2021 and 2020. Depreciation expenses of the property, plant and equipment have been accounted under marketing expenses.

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NOTE 5 - INTANGIBLE ASSETS

Movement of intangible assets period ended at 30 September 2021 and 2020 is as follows;

	1 January 2021	Additions	Disposals	Transfers	Currency translation differences	30 September 2021
Cost						
Trademark	2.787	-	-	-	-	2.787
Rent agreements	39.131	-	-	-	-	39.131
Rights	470.376	65.446	(4.428)	-	273	531.667
Other intangible assets	170.167	-	-	-	-	170.167
	682.461	65.446	(4.428)	-	273	743.752
Accumulated amortisation						
Rent agreements	(36.176)	(717)	-	-	-	(36.893)
Rights	(340.426)	(46.803)	4.190	(150)	(652)	(388.431)
Other intangible assets	(119.180)	(862)	-	-	-	(120.042)
	(495.782)	(48.382)	4.190	(150)	(652)	(540.776)
Net book value	186.679					202.976

	1 January 2020	Additions	Disposals	Transfers	Currency translation differences	30 September 2020
Cost						
Trademark	2.787	-	-	-	-	2.787
Rent agreements	39.131	-	-	-	-	39.131
Rights	408.899	30.669	-	-	3.912	443.480
Other intangible assets	169.302	-	-	902	-	170.204
	620.119	30.669	-	902	3.912	655.602
Accumulated amortisation						
Rent agreements	(35.403)	(580)	-	-	-	(35.983)
Rights	(290.041)	(40.452)	-	-	(2.719)	(333.212)
Other intangible assets	(101.842)	(13.461)	-	-	-	(115.303)
	(427.286)	(54.493)	-	-	(2.719)	(484.498)
Net book value	192.833					171.104

Depreciation expenses of the intangible assets have been accounted under marketing expenses.

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NOTE 6 – RIGHT OF USE ASSET

	1 January 2021	Additions	Disposals	30 September 2021
Cost				
Buildings	3.756.145	542.414	-	4.298.559
	3.756.145	542.414	-	4.298.559
Accumulated depreciation				
Buildings	(966.401)	(405.950)	-	(1.372.351)
	(966.401)	(405.950)	-	(1.372.351)
Net book value	2.789.744	136.464	-	2.926.208
	1 January 2020	Additions	Disposals	30 September 2020
Cost				
Buildings	2.769.878	590.759	-	3.360.637
	2.769.878	590.759	-	3.360.637
Accumulated depreciation				
Buildings	(451.334)	(380.184)	-	(831.518)
	(451.334)	(380.184)	-	(831.518)
Net book value	2.318.544	-	-	2.529.119

NOTE 7 - INVENTORIES

	30 September 2021	31 December 2020
Raw materials	26.664	18.381
Work in progress	53.435	50.882
Merchandise stocks	4.181.857	3.325.656
Other	12.483	19.304
Less: Provision for net realizable value	(116.207)	(74.643)
	4.158.232	3.339.580

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NOTE 8 - FINANCIAL LIABILITIES

	30 September 2021		
	Effective	In original	Total TL
	interest rate (%)	currency	equivalent
Short term borrowings			
With fixed interest rate - TL	19,88	435.602	435.602
With floating interest rate - TL	17,47	461.330	461.330
Total short term borrowings			896.932
Current portion of long term borrowings			
Kazakhstan Loan - EUR	4,50	23	232
With fixed interest rate - TL	17,51	382.703	382.703
With floating interest rate - TL	22,92	43.047	43.047
Kazakhstan Loan - Tenge	13,97	974.038	20.236
Total current portion of long term borrowings			446.218
Total current bank borrowings			1.343.150
Non-current bank borrowings			
Kazakhstan Loan - EUR	4,50	4.600	47.349
With fixed interest rate - TL	17,51	1.045.977	1.045.977
With floating interest rate - TL	22,92	257.972	257.972
Kazakhstan Loan - Tenge	13,97	2.741.085	56.946
Total non-current bank borrowings			1.408.244
Total financial liabilities			2.751.394

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of bank borrowings with effective interest rate at 30 September 2021 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total TL equivalent
1 October 2021 - 30 September 2022	20.236	232	1.322.683	1.343.151
1 October 2022 - 30 September 2023	25.494	-	634.804	660.298
1 October 2023 - 30 September 2024	20.893	47.349	342.757	410.999
1 October 2024 - 30 September 2025	10.559	-	244.017	254.576
1 October 2025 - 16 December 2025	-	-	82.370	82.370
	77.182	47.581	2.626.631	2.751.394

The fair value of bank borrowings at 30 September 2021 is TL 2.792.221.

The redemption schedule of principal amounts of bank borrowings at 30 September 2021 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total TL equivalent
1 October 2021 - 30 September 2022	19.583	-	1.048.649	1.068.232
1 October 2022 - 30 September 2023	25.494	-	611.765	637.259
1 October 2023 - 30 September 2024	20.893	47.349	389.651	457.893
1 October 2024 - 30 September 2025	10.559	-	347.773	358.332
1 October 2025 - 16 December 2025	-	-	152.696	152.696
	76.529	47.349	2.550.534	2.674.412

The redemption schedule of contractual cash outflows, which consists of principal and interest, of borrowings at 30 September 2021 is as follows:

	Tenge loan TL equivalent	TL equivalent	TL loan	TL equivalent
1 October 2020 - 30 September 2021	27.233	2.131	1.345.302	1.374.666
1 October 2021 - 30 September 2022	30.652	2.131	914.090	946.873
1 October 2022 - 30 September 2023	23.380	48.236	507.439	579.055
1 October 2023 - 30 September 2024	11.116	-	410.587	421.703
1 October 2024 - 16 December 2025	-	-	179.170	179.170
	92.381	52.498	3.356.588	3.501.467

The Group has obligation to meet various financial covenants according to loan agreement related to bank borrowings. As of 30 September 2021 the Group has met defined financial covenants requirements.

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

The movement schedule of borrowings as of 30 September 2021 and 2020 is as follows;

	1 January- 30 September 2021	1 January- 30 September 2020
Beginning balance	3.837.542	4.403.039
Proceeds of borrowings	300.000	1.139.040
Payments	(1.454.890)	(2.302.983)
Foreign exchange losses	39.473	561.029
Change due to subsidiary sale	41.640	-
Changes on interest accruals	(12.371)	10.817
Closing balance	2.751.394	3.810.942

	31 December 2020	
	Effective interest rate (%)	In original currency
		Total TL equivalent
Short term borrowings		
With fixed interest rate - TL	14.84	657.772
With floating interest rate - TL	21.47	486.571
Total short term borrowings		1.144.343
Current portion of long term borrowings		
With floating interest rate - EUR	5,29	4.614
With fixed interest rate - TL	11,79	333.392
With floating interest rate - TL	16,65	34.213
Kazakhstan Loan - Tenge	11,53	249.569
Total current portion of long term borrowings		413.522
Total current bank borrowings		1.557.865
Non-current bank borrowings		
With floating interest rate - EUR	5,29	90.102
With fixed interest rate - TL	11,79	1.187.555
With floating interest rate - TL	16,65	220.123
Kazakhstan Loan - Tenge	11,53	3.471.945
Total non-current bank borrowings		2.279.885
Total financial liabilities		3.837.750

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of bank borrowings with effective interest rate at 31 December 2020 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total TL equivalent
1 January 2021- 31 December 2021	4.354	41.563	1.511.948	1.557.865
1 January 2022- 31 December 2022	18.055	39.682	547.261	604.998
1 January 2023- 31 December 2023	20.495	771.947	324.242	1.116.684
1 January 2024- 31 December 2024	17.547	-	348.639	366.186
1 January 2025 - 5 June 2025	4.481	-	187.536	192.017
	64.932	853.192	2.919.626	3.837.750

The fair value of bank borrowings at 31 December 2020 is TL 3.856.169.

The redemption schedule of principal amounts of bank borrowings at 31 December 2020 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total TL equivalent
1 January 2021- 31 December 2021	3.695	-	1.241.414	1.245.109
1 January 2022- 31 December 2022	18.055	-	448.978	467.033
1 January 2023- 31 December 2023	20.494	852.554	308.575	1.181.623
1 January 2024- 31 December 2024	17.547	-	450.729	468.276
1 January 2025 - 5 June 2025	4.481	-	378.312	382.793
	64.272	852.554	2.828.008	3.744.834

The redemption schedule of principal amounts of bank borrowings at 31 December 2020 is as follows:

	Tenge loan TL equivalent	Euro loan TL equivalent	TL loan	Total TL equivalent
1 October 2020 - 30 September 2021	25.847	45.731	1.253.052	1.324.631
1 October 2021 - 30 September 2022	27.981	59.353	854.676	942.010
1 October 2022 - 30 September 2023	21.150	1.280.348	395.131	1.696.630
1 October 2023 - 30 September 2024	9.885	-	389.484	399.370
1 October 2024 - 5 June 2025	-	-	243.014	243.014
	84.864	1.385.433	3.135.358	4.605.654

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NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	30 September 2021	31 December 2020
Provision for litigation	110.212	94.561
Provisions for customer loyalty programs	8.521	2.344
Other	-	1.982
	118.733	98.887

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.

Movement of provision for lawsuits is as follows:

	1 January - 30 September 2021	1 January - 30 September 2020
Beginning balance	94.561	81.125
Increase during period	27.307	15.811
Payments during period	(11.656)	(9.884)
Closing balance	110.212	87.052

Collaterals, Pledges, Mortgages

30 September 2021:

	TL equivalent	TL	USD	EUR
A. CPM given on behalf of the Company's legal personality	222.361	216.584	651	-
B. CPM given on behalf of fully consolidated subsidiaries	104.295	-	6.414	4.600
Total collaterals, pledges and mortgages	326.656	216.584	7.065	4.600

Proportion of the other CPM's to equity (%)

-

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

Collaterals, Pledges, Mortgages (Continued)

31 December 2020:

	TL equivalent	TL	USD	EUR
A. CPM given on behalf of the Company's legal personality	242.637	237.861	651	-
B. CPM given on behalf of fully consolidated subsidiaries	60.578	-	8.253	-
Total collaterals, pledges and mortgages	303.215	237.861	8.904	-
Proportion of the other CPM's to equity (%)	-			

Contingent assets and liabilities

Guarantees given at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Letter of guarantees given	326.656	303.215
	326.656	303.215

Guarantees received at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Guarantees obtained from customers	252.366	224.732
Mortgages obtained from customers	17.344	16.129
	269.710	240.861

NOTE 10 - PROVISION FOR EMPLOYEE BENEFITS

	30 September 2021	31 December 2020
Provision for employee termination benefits	320.833	257.690
Provision for unused vacation	191.331	158.126
	512.164	415.816

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NOTE 10 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movement of unused vacation provision at 30 September 2021 and 30 September 2020 is as follows:

	2021	2020
Beginning balance	158.126	139.366
Increase during period	40.811	24.493
Recovered during period	(7.606)	(6.320)
Closing balance	191.331	157.539

Movements in the provision for employee termination benefits are as follows:

	2021	2020
Beginning balance	257.690	204.503
Increase during period	96.666	75.017
Payments during period	(33.523)	(28.552)
Closing balance	320.833	250.968

Provision for employee 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 limit.

In the condensed consolidated interim financial statements as of 30 September 2021 and consolidated financial statements as of 31 December 2020, 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 TL 8.254,51 effective from 1 July 2021 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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NOTE 11 - REVENUE

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Domestic sales	26.351.174	9.972.571	21.043.775	7.708.415
Foreign sales	20.942	7.605	134.306	31.156
Other sales	33.753	11.734	25.169	8.619
Gross sales	26.405.869	9.991.910	21.203.250	7.748.190
Discounts and returns (-)	(485.042)	(175.195)	(340.094)	(138.644)
Sales revenue, net	25.920.827	9.816.715	20.863.156	7.609.546
Cost of sales	(19.588.288)	(7.408.493)	(15.876.503)	(5.805.554)
Gross profit	6.332.539	2.408.222	4.986.653	1.803.992

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

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Retail sales revenue	25.349.922	9.559.162	20.516.082	7.508.111
Wholesale revenue	881.919	357.318	561.436	192.968
Rent income	140.275	63.696	100.563	38.492
	26.372.116	9.980.176	21.178.081	7.739.571

NOTE 12 - EXPENSE BY NATURE

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Total				
Staff costs	2.383.345	813.867	2.000.557	659.480
Rent and common area	600.397	231.377	416.745	160.944
Depreciation and amortisation	667.347	235.133	624.121	212.128
Energy	340.295	157.370	278.589	117.706
Porterage and cleaning	179.680	65.279	142.846	50.920
Advertising	126.431	36.499	100.383	42.169
Repair and maintenance	74.212	29.253	64.296	22.963
Mechanisation	145.276	52.099	87.877	28.064
Security	56.160	19.753	47.368	16.094
Taxes and other fees	23.628	7.351	23.313	6.853
Communication	16.075	5.798	14.129	5.531
Other	238.264	81.730	163.364	57.175
	4.851.110	1.735.509	3.963.588	1.380.027

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NOTE 12 - EXPENSE BY NATURE (Continued)

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Marketing expenses				
Staff costs	2.170.664	743.886	1.814.089	599.890
Depreciation and amortisation	667.347	235.133	624.121	212.128
Rent and common area	590.352	227.909	411.483	157.962
Energy	338.149	156.527	276.714	117.005
Porterage and cleaning	175.222	63.792	138.832	49.557
Advertising	126.427	36.499	100.370	42.169
Mechanisation	135.890	48.135	81.963	27.956
Repair and maintenance	72.707	28.712	62.744	22.675
Security	54.385	19.144	45.794	15.565
Taxes and other fees	21.989	6.897	20.226	6.161
Communication	14.005	4.947	12.592	5.172
Other	191.886	64.169	129.907	45.219
	4.559.023	1.635.750	3.718.835	1.301.459
General administrative expenses				
Staff costs	212.681	69.981	186.468	59.590
Other	79.406	29.778	58.285	18.978
	292.087	99.759	244.753	78.568

Expenses by nature in cost of sales for the periods 1 January - 30 September 2021 and 2020 are as follows:

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Cost of goods sold	(19.557.750)	(7.386.122)	(15.834.480)	(5.783.292)
Cost of service rendered	(30.538)	(22.371)	(42.023)	(22.262)
	(19.588.288)	(7.408.493)	(15.876.503)	(5.805.554)

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

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NOTE 13 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Other operating income				
Interest income on term sales	203.443	80.017	75.171	33.990
Interest income from operating activities	97.075	49.043	56.229	29.450
Other	24.860	6.044	50.770	15.557
	325.378	135.104	182.170	78.997
Other operating expenses				
Interest expense on term purchases	(782.114)	(323.566)	(366.036)	(141.842)
Litigation provision	(27.307)	(6.135)	(15.811)	(7.227)
Bad debt provision expense	(3.238)	(1.598)	(4.571)	(2.367)
Other	(18.109)	(2.951)	(13.896)	(6.179)
	(830.768)	(334.250)	(400.314)	(157.615)

NOTE 14 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Income from investing activities				
Gain on sale of property, plant and equipment	373	-	46.818	45.099
Subsidiary acquisition profit	213.162	-	-	-
	213.535	-	46.818	45.099

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Expense from investing activities				
Loss on sale of property, plant and equipment	(524)	(99)	-	-
Losses from leasehold improvements	(1.479)	(291)	(3.842)	(656)
	(2.003)	(390)	(3.842)	(656)

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NOTE 15 - FINANCIAL INCOME

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Foreign exchange gains	75.535	4.880	247.568	236.410
Interest income on bank deposits	3.244	211	2.299	1.254
Financial income on derivatives	15.073	377	23.219	23.219
	93.852	5.468	273.086	260.883

NOTE 16 - FINANCIAL EXPENSES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Foreign exchange losses	(36.842)	(363)	(576.781)	(336.519)
Interest expense on bank	(363.288)	(117.573)	(347.523)	(128.207)
Financial expense on derivatives	(5.796)	(1.715)	(18.448)	(7.389)
Interest expense on leasings	(353.033)	(124.473)	(313.012)	(106.839)
Other	(57.526)	(20.804)	(59.176)	(16.886)
	(816.485)	(264.928)	(1.314.940)	(595.840)

NOTE 17 - TAX ASSETS AND LIABILITIES

	30 September 2021	31 December 2020
Corporate and income taxes payable	148.663	190.924
Less: Prepaid current income taxes	(71.898)	(182.716)
Current tax liabilities/(assets)	76.765	8.208

	30 September 2021	31 December 2020
Deferred tax assets	280.477	196.662
Deferred tax liabilities	(242.437)	(209.667)
Deferred tax assets/(liabilities), net	38.040	(13.005)

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.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

In Turkey, corporate tax rate is 25% (December 31, 2020 - 22%). Within the scope of the Communiqué Amending the Corporate Tax General Communiqué (serial no: 1) published in the Official Gazette dated May 25, 2021, the tax rates for 2021 and 2022 have been determined as 25% and 23%, respectively. Within the scope of the aforementioned communiqué, deferred tax assets and liabilities in the consolidated financial statements dated September 30, 2021 are calculated with a 25% tax rate for the part of the temporary differences that will have a tax effect in 2021, and a 20% tax rate for the part of the temporary differences that will have a tax effect in 2023 and the following periods.

The Group calculates deferred income tax assets and liabilities based on the temporary difference between the financial statements prepared in accordance with TFRS and the financial statements prepared in accordance with TFRS. Future periods to deferred tax assets and liabilities are calculated based on the liability method on temporary differences for the rates used as of September 30, 2021 for Turkey and Kazakhstan 25% - 20% and 20% (2020: 22% , 20%).

The details of taxation on income for the periods ended 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
Current period tax expense	(148.194)	(54.349)	(130.035)	(53.371)
Deferred tax income	49.809	(3.406)	44.779	(3.835)
Current period tax amount	(98.385)	(57.755)	(85.256)	(57.206)

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 September 2021 and 31 December 2020 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Deferred tax assets:				
Short term provisions	267.518	252.687	66.880	50.537
Inventories	284.593	193.538	71.148	38.708
Provision for employee termination benefit	320.833	257.690	64.167	51.538
Unincurred interest income	1.390	1.343	348	269
TFRS 16 Effect	329.973	266.774	72.594	53.355
Other	21.465	11.276	5.340	2.255
Deferred tax assets	1.225.772	983.308	280.477	196.662
Deferred tax liabilities:				
Fair value changes of derivative instruments	(7.491)	(8.663)	(1.873)	(1.733)
Property, plant and equipment, intangible assets and investment properties	(1.163.168)	(1.093.910)	(187.128)	(178.611)
Unincurred interest expense	(199.120)	(128.326)	(49.780)	(25.665)
Other	(18.282)	(18.281)	(3.656)	(3.658)
Deferred tax liabilities	(1.388.061)	(1.249.180)	(242.437)	(209.667)
Total deferred tax liability, net	(162.289)	(265.872)	38.040	(13.005)

The movement of deferred tax assets and liabilities are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020
Beginning balance	(13.005)	(18.613)
Deferred tax income from continuing operations	49.809	49.448
Recognized under equity	(256)	49.253
Currency translation differences	1.492	(4.821)
Ending balance	38.040	75.267

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NOTE 18 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The shareholders of the Company and their shareholdings stated at historical amounts at 30 September 2021 and 31 December 2020 are stated below:

	30 September 2021		31 December 2020	
	TL	Share (%)	TL	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89.046	49,18	89.046	49,18
Kenan Investments S.A.	-	-	21.308	11,77
Migros Ticaret A.Ş.	2.962	1,64	2.962	1,64
Other	89.046	49,18	67.738	37,41
Total	181.054	100,00	181.054	100,00
Treasury shares (-)	(125.435)		(125.435)	

In the utilisation process of separation funds for Kipa shareholders due to the merger, Migros shares with a total nominal value of TL 2.962, corresponding to Kipa shares with a total nominal value of TL 48.998 which were converted to Migros shares due to the merger were purchased by Migros with a total amount of TL 125.435 within the scope of separation funds.

On January 26, 2021, Kenan Investments S.A. acquired Migros Ticaret A.Ş. with a nominal value of TL 21.308.336 sold its shares at a selling price of TL 44,15 per share, the price of which is to be paid in cash. After the said transaction, the shares of Kenan Investments SA in Migros Ticaret A.Ş., funds managed by BC Partners subsidiaries, in Migros Ticaret A.Ş. became 0%. Free float ratio increased to 49,18% as of January 26, 2021.

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties

Due from related parties	30 September 2021	31 December 2020
Anadolu Motor Üretim ve Pazarlama A.Ş.	100	80
Anadolu Isuzu Otomotiv Sanayi ve	98	2
Anadolu Restoran İşl. Ltd. Şti.	47	-
Other	87	72
	332	154

Due to related parties	30 September 2021	31 December 2020
Anadolu Efes Pazarlama ve Dağıtım Ticaret A.Ş.	226.958	162.315
Coca Cola Satış ve Dağıtım A.Ş.	148.483	78.381
AEH Sigorta Acenteliği A.Ş.	548	17.731
Adel Kalemcilik Ticaret ve San. A.Ş.	18.788	10.498
AEH Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	6.774	8.889
Other	458	2.199
	402.009	280.013

b) Transactions with related parties

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Inventory purchases				
Coca Cola Satış ve Dağıtım A.Ş.	286.901	108.074	253.196	105.582
Anadolu Efes Paz. ve Dağ. Tic. A.Ş.	448.725	203.636	387.859	183.107
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	32.064	10.258	18.046	4.746
Adel Kalemcilik Ticaret ve San. A.Ş.	10.992	10.736	10.717	7.862
	778.682	332.704	669.818	301.297

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Other transactions				
Rent income	956	646	604	380
Rent expenses	(5.081)	(1.813)	(5.843)	(1.692)
Other income	533	254	419	194
Other transactions, net	(3.592)	(913)	(4.820)	(1.118)

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

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 September 2021 and 2020 is as follows:

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Short term benefits	42.515	14.120	41.115	12.535
	42.515	14.120	41.115	12.535

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

NOTE 20 - EARNINGS/(LOSSES) PER SHARE

Basic earnings / (losses) per share is calculated by dividing net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the related period.

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Net profit/(loss) attributable to shareholders	367.231	155.962	(278.172)	(1.849)
Weighted average number of shares with Kr1 face value each ('000)	18.105.233	18.105.233	18.105.233	18.105.233
Earnings / (losses) per share	2,02	0,86	(1,54)	(0,01)

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

NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Exchange rate risk

The Group is exposed to foreign exchange risk primarily arising from the assets and liabilities denominated in foreign currencies. At 30 September 2021, if Euro had appreciated against TL 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 more in the amount of TL 34.682.

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

	FOREIGN CURRENCY POSITION							
	30 September 2021				31 December 2020			
	Total TL equivalent	USD	Euro	Other TL equivalent	Total TL equivalent	USD	Euro	Other TL equivalent
Monetary financial assets	292.051	7.939	21.470	567	738.895	930	81.211	528
Trade receivables	-	-	-	-	-	-	-	-
Other	80	9	-	-	66	9	-	-
Current assets	292.131	7.948	21.470	567	738.961	939	81.211	528
Total assets	292.131	7.948	21.470	567	738.961	939	81.211	528
Financial liabilities	232	-	23	-	41.563	-	4.614	-
Non-monetary other liabilities	-	-	-	-	-	-	-	-
Current liabilities	232	-	23	-	41.563	-	4.614	-
Financial liabilities	47.349	-	4.600	-	811.629	-	90.102	-
Non-monetary other liabilities	7.051	-	685	-	6.080	-	675	-
Non-current liabilities	54.400	-	5.285	-	817.709	-	90.777	-
Total liabilities	54.632	-	5.308	-	859.272	-	95.391	-
Net balance foreign currency asset/(liability) position	237.499	7.948	16.162	567	(120.311)	939	(14.180)	528

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

	FOREIGN CURRENCY POSITION							
	30 September 2021				31 December 2020			
	Total TL equivalent	USD	Euro	Other TL equivalent	Total TL equivalent	USD	Euro	Other TL equivalent
Net asset/(liability) position of								
off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	237.499	7.948	16.162	567	(120.311)	939	(14.180)	528
Net foreign currency asset/(liability) position of monetary items	244.470	7.939	16.847	567	(114.297)	930	(13.505)	528
Fair value hedge funds of								
foreign currency	-	-	-	-	-	-	-	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	136.443	15.368	-	-	165.547	22.553	-	-

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

Foreign currency sensitivity analysis as of 30 September 2021 and 31 December 2020 is as follows:

30 September 2021

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate		
Euro net asset/liability	34.682	(34.682)
Euro net effect	34.682	(34.682)

31 December 2020

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate		
Euro net asset/liability	(24.330)	24.330
Euro net effect	(24.330)	24.330

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).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
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MİGROS TİCARET A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 23 – DISPOSAL OF SUBSIDIARY

During the period, the Group sold its subsidiary, Ramstore Macedonia DOO ("Ramstore Macedonia"), with a share transfer agreement dated 9 March 2021.

Current Assets	150.105
Cash and Cash Equivalents	58.948
Trade Receivables	6.383
Inventories	41.524
Other Current Assets	43.250
Non-current Assets	285.019
Property, Plant and Equipment	282.792
Other Non-current Assets	2.227
Current Liabilities	57.967
Trade Payables	50.983
Other Current Liabilities	6.984
Non-current Liabilities	10.126
Deferred Tax Liabilities	10.126

Gain on disposal of subsidiary

	2021
Consideration received	374.451
Net assets disposed of	367.032
Currency translation differences fund	205.743
Gain on disposal (*)	213.162

Sales profit amounting to TL 213.162 was classified in income from investment activities.

NOTE 24 - SUBSEQUENT EVENTS

The Group has decided to develop the business lines under a separate company structure in order to meet the changing and diversifying customer demands of online retailing in food and similar business lines in a better way and to accelerate the development of the Group's online channels. In this context, the company, which is a 100% subsidiary of the Group and has a founding capital amounting to TL 10.000, was established under the title of "Digital Platform Gıda Hizmetleri A.Ş." and was registered by the Istanbul Trade Registry Directorate on 27 October 2021.

It was announced in the Group's Public Disclosure Platform statement dated 20 October 2021 that the Group would participate in the oral defense meeting on 27 October 2021 to make the Group's defense within the scope of the Competition Authority's investigation into the examination of the pricing behavior of the chain markets engaged in retail food and cleaning products trade and their suppliers at the producer and wholesale level during the COVID-19 epidemic.

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NOTE 24 - SUBSEQUENT EVENTS (Continued)

In the announcement published on the Competition Authority's official website and in the final decision notification delivered to the Group, it was stated in summary in the Competition Board's decision dated 28.10.2021, numbered 21-53/747-360 that:

- 4 retailers and a supplier violated the Group's Article 4 of the Law No. 4054 on the Protection of Competition ("Law"),
- Thus, an administrative fine shall be paid to the Group amounting to TL 517.673 at the rate of 1.8% of the annual gross revenue which occurred at the end of the 2020 fiscal year and was determined by the Board, in accordance with the provisions in the third paragraph of Article 16 of the Law and the subparagraph (a) of the first paragraph of the Article 5, the subparagraph (a) of the second paragraph and third paragraph, and the first paragraph of the Article 7 of "The Regulation on Fines to Apply in Cases of Agreements, Concerted Practices and Decisions Limiting Competition and Abuse of Dominant Position",

within 60 days from the notification of the reasoned decision with the possibility of judicial recourse in Ankara Administrative Courts.

In the decision announced, the matters directed against the Group are not accepted by the Group. In this framework, following the notification of the reasoned decision, a lawsuit will be filed for the annulment of the decision

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

	30 September 2021	TFRS 16 EFFECT	BEFORE TFRS 16
ASSETS			
Current assets:			
Prepaid expenses	122.106	(12.571)	134.677
Total current assets	7.760.503	(12.571)	7.773.074
Non-current assets:			
Prepaid expenses	21.300	(54.343)	75.643
Right of use assets	2.926.208	2.926.208	-
Deferred tax assets	38.040	38.040	-
Total non-currents assets	8.464.270	2.909.905	5.554.365
Total assets	16.224.773	2.897.334	13.327.439
	30 September 2021	TFRS 16 EFFECT	BEFORE TFRS 16
LIABILITIES			
Current liabilities:			
Lease liabilities	716.853	716.853	-
Total current liabilities	11.818.160	716.853	11.101.307
Non-current liabilities:			
Lease liabilities	2.471.875	2.471.875	-
Deferred tax liabilities	-	(34.554)	34.554
Total non-current liabilities	4.236.084	2.437.321	1.798.763
Total liabilities	16.054.244	3.154.174	12.900.070
EQUITY			
Attributable to equity holders of parent	170.529	(256.840)	427.369
Accumulated losses	(924.578)	(196.448)	(728.130)
Net profit for the period	367.231	(60.392)	427.623
Total equity	170.529	(256.840)	427.369
Total liabilities and equity	16.224.773	2.897.334	13.327.439

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

PROFIT OR LOSS	30 September 2021	TFRS 16 EFFECT	BEFORE TFRS 16
Revenue	25.920.827	-	25.920.827
Cost of sales (-)	(19.588.288)	110.899	(19.699.187)
Gross profit	6.332.539	110.899	6.221.640
General administrative expenses (-)	(292.087)	-	(292.087)
Marketing expenses (-)	(4.559.023)	162.503	(4.721.526)
Other operating income	325.378	-	325.378
Other operating expense (-)	(830.768)	-	(830.768)
Operating profit	976.039	273.402	702.637
Income from investing activities	213.535	-	213.535
Expenses from investing activities (-)	(2.003)	-	(2.003)
Operating income before finance income/(expenses)	1.187.571	273.402	914.169
Financial income	93.852	-	93.852
Financial expense (-)	(816.485)	(353.033)	(463.452)
Net loss before tax from continuing operations	464.938	(79.631)	544.569
Tax expense from continuing operations	(98.385)	19.239	(117.624)
-Income tax expense	(148.194)	-	(148.194)
- Deferred tax income	49.809	19.239	30.570
Net profit for the period	366.553	(60.392)	426.945